

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE**  
Council of the County of Maui

**MINUTES**

**December 16, 2013**

**Council Chamber, 8<sup>th</sup> Floor**

**CONVENE:** 9:05 a.m.

**PRESENT:** Councilmember G. Riki Hokama, Chair  
Councilmember Donald G. Couch, Jr., Vice-Chair  
Councilmember Robert Carroll, Member (Out 11:50 a.m.)  
Councilmember Elle Cochran, Member  
Councilmember Stacy Crivello, Member  
Councilmember Don S. Guzman, Member  
Councilmember Michael P. Victorino, Member  
Councilmember Mike White, Member

**EXCUSED:** Councilmember Gladys C. Baisa, Member

**STAFF:** Carla Nakata, Legislative Attorney  
Tammy M. Frias, Committee Secretary  
  
Ella Alcon, Council Aide, Molokai Council Office (via telephone conference bridge)  
Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)  
Dawn Lono, Council Aide, Hana Council Office (via telephone conference bridge)

**ADMIN.:** Michael J. Molina, Executive Assistant, Office of the Mayor (Item PIA-2(19))  
Kyle K. Ginoza, Director, Department of Environmental Management (Item PIA-57)  
Moana M. Lutey, Deputy Corporation Counsel, Department of the Corporation Counsel  
(Item PIA-1(17))  
Richelle M. Thomson, Deputy Corporation Counsel, Department of the Corporation  
Counsel (Item PIA-57)  
Patrick K. Wong, Corporation Counsel, Department of the Corporation Counsel (Item PIA-  
57)  
Edward S. Kushi, Jr., First Deputy Corporation Counsel, Department of the Corporation  
Counsel

*Seated in the gallery:*

Michael M. Miyamoto, Deputy Director, Department of Environmental Management  
(Item PIA-57)

**OTHERS:** Jeff Stark (Item PIA-57)  
Tom Reed, President, Aloha Recycling (Item PIA-57)

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Glenn Ida, Consultant, Plumbers and Fitters United Association, Local 675 (Item PIA-57)  
Brittany Smart, Marketing & Public Affairs, Maui EKO Systems (Item PIA-57)  
Christine Sa`u, Office Manager/PR Director, Aloha Waste Systems, Inc. (Item PIA-57)  
Charlotte O'Brien, CEO, Carbon Drawdown Solutions, Inc. (Item PIA-57)  
Richard Platek (Item PIA-57)  
Damon Lesjack (Item PIA-57)  
Sam Small (Item PIA-57)  
Tim Botkin (Item PIA-57)  
Rosemary Robbins (Items PIA-2(19), -1(17), and -57)  
Brian McCafferty, Program Director, Teens on Call Program (Item PIA-57)  
Clayton Kaina, Program Assistant, Teens on Call Program (Item PIA-57)  
Ray Shimabuku, Business Representative, International Brotherhood of Electrical  
Workers ("IBEW"), Local 1186 (Item PIA-57)  
Samuel Millington, CEO, Pacific Biodiesel (Item PIA-57)  
Arun Sharma, President, Anaergia Services (Item PIA-57)  
Karl Bossert, Director of Business Development - Pacific, Anaergia Services (Item  
PIA-57)  
Jonathan Ortiz, Esq., Ortiz & Katano (Item PIA-1(17))  
Additional attendees (15)

**PRESS:** *Akaku--Maui County Community Television, Inc.*

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CHAIR HOKAMA: . . .(*gavel*). . . The Council's Committee on Policy and Intergovernmental Affairs Committee shall come to order. This is the regular meeting of 16 December, 2013. Present is our Vice-Chairman, Mr. Couch.

VICE-CHAIR COUCH: Good morning, Mr. Chair.

CHAIR HOKAMA: Good morning. And Committee Members: Mr. Carroll --

COUNCILMEMBER CARROLL: Good morning, Chair.

CHAIR HOKAMA: --good morning--Ms. Crivello --

COUNCILMEMBER CRIVELLO: Good morning, Chair.

CHAIR HOKAMA: --Ms. Cochran --

COUNCILMEMBER COCHRAN: Aloha, good morning, Chair.

CHAIR HOKAMA: --Mr. White --

COUNCILMEMBER WHITE: Good morning, Chair.

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CHAIR HOKAMA: --Mr. Guzman --

COUNCILMEMBER GUZMAN: Good morning, Chair.

CHAIR HOKAMA: --and Mr. Victorino.

COUNCILMEMBER VICTORINO: Good morning, sir.

CHAIR HOKAMA: Ms. Baisa is excused from this meeting. Before we start, we shall accept oral testimony. And also, with no objections, we shall accept all written testimony that is submitted for today's meeting, Members.

COUNCIL MEMBERS: No objections.

CHAIR HOKAMA: Okay. So ordered. Prior to the beginning of oral testimony, we do have a few people wishing to share information with us this morning. When your name is called, please come up, state your name for the record. If you are representing an organization or entity, we request your disclosure of that. You have three minutes to speak on the item of your choice on the agenda. The Staff will assist you with a timer. When you start, there's a green light; yellow light means you have 30 seconds to conclude; and red light means your time is up. We will also take and request any testimony from our three regional offices in Hana, Lanai and Molokai. So, at this time, we'll first start with the Chambers and we'll ask Mr. Jeff Stark if he would please come forward and share his testimony with us.

*...BEGIN PUBLIC TESTIMONY...*

MR. STARK: Good morning, Mr. Chair --

CHAIR HOKAMA: Good morning.

MR. STARK: --and Members of the Council, nice to see you this morning. I'm gonna be very brief. I sent around a commentary which I hope you all got on the day you switched to Microsoft Outlook for your e-mail client. I hear that was fun. So and I just wanna make a couple of additional comments. There are three problems I have with this project going forward. Number one is, we really don't know what the project consists of now. There have been several public meetings as well as written presentations, and the nature of the proposals seems to change every time. I don't know for sure now whether they're proposing a dirty MRF. I don't know for sure what they're proposing in terms of the percentage of the materials that they process going to refuse-derived fuel. I also have a lot of problems with a lot of the figures that we have to deal with. I think, once again, that we need to have a full-cost accounting of County programs and a much better idea of what energy costs to the County are likely to be. And, finally, I still believe there is no market for the refuse-derived fuel in Hawaii. If that's the case, I think it's a bit much

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to ask us to ship our garbage somewhere else for someone else to burn; I think we can do better than that as a community. And that's all I have for this morning unless anyone has any questions.

CHAIR HOKAMA: Okay. Thank you very much, Mr. Stark. And, yes, we did receive your submittal, so thank you very much for that.

MR. STARK: Uh-huh.

CHAIR HOKAMA: Members, questions for Mr. Stark on his testimony that he has presented to you this morning? Okay. Mr. Stark, thank you very much for your testimony. Next is Mr. Tom Reed.

MR. REED: Thank you, Mr. Chair and Members of the Council. My name is Tom Reed. I am President of Aloha Recycling Company. And I wanna comment on the project for anaerobic digestion of the solid waste. First of all, I wanna say that I think anaerobic digestion is a very good activity for Maui, and Anaergia has a very good reputation in this area. There seems to still be a problem with the refused-derived fuel aspects of that project, but the anaerobic digestion part is good. The current issue, as I see it, is I don't think we have a good, as Jeff said, cost accounting of what's going to come up in the 20-year term of the contract. It is true that there is no capital cost involved in this; but, with a minimum of around 120,000 tons of material going into the landfill at \$65 a ton, the County is going to have to pay \$8 million, thereabouts, and it's not clear, at the moment, how that all is gonna come about. So I think the Council really needs to get a handle on that before moving forward with the project. The other thing is I'm concerned about are our recycling companies. There's many of us that have been in the business now 20 years and we all started these companies based on requirements that the County had and requests from the County to solve these requirements. And the companies like ours, like EKO Composting, there was a major problem with the sewage sludge. When we started, there was a major problem, nobody was recycling glass; and we got into that. We committed our own resources to bring these companies on line. And, now, it just seems like everything is gonna go into this waste conversion. I don't think it has to be that way. I think that there is a way for the County, for Anaergia and for the recycling companies to work together. For example, I don't see why the Pacific Biodiesel project can't continue as it's currently going. I don't see why EKO Compost can't continue to operate possibly with digestate from the anaerobic digestion process. I don't think that there has to be scenario where all of the recycling companies that have worked so hard to service the County have to go away. So I encourage the Council to delay moving forward with this project until a detailed cost accounting can be had.

CHAIR HOKAMA: Thank you, Mr. Reed. Members, any questions for Mr. Reed on his testimony? Having none, Mr. Reed, thank you so much. Next, we have Mr. Glenn Ida.

MR. IDA: Good morning, Chair. Good morning, Members of the Maui County Council. My name is Glenn Ida. I'm here this morning representing the 2,000 active and retired members of the Plumbers and Fitters UA, Local 675. Local 675 is also affiliated with the Hawaii Building and Construction Trades Council. And I'm here to testify in support of PIA-57, it's the resolution for

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the implementation of Maui County's 2009 Integrated Solid Waste Management Plan through the Integrated Waste Conversion and Energy Project. First of all, we believe that the contractor, Anaergia Services, will be able to provide the services to meet Maui County's goal for handling solid waste. And doing the construction of the facilities, it'll be beneficial to our members in the construction industry. And, therefore, we support the resolution. Thank you for allowing me to testify this morning.

CHAIR HOKAMA: Okay. Thank you very much, Mr. Ida. Members, any questions for the gentleman? Having none, Mr. Ida, thank you for your comments this morning. Next, we have Ms. Brittany Smart.

MS. SMART: Good morning, Council. I have also provided written testimony for your review as well, and I'll be reading from that testimony this morning. Mahalo for the opportunity for Maui EKO Systems to submit additional testimony today regarding PIA-057. EKO respectfully requests that the Council either defer the item to the call of the Chair or have the item withdrawn at this time to be submitted at a later point. While the overarching issue before you today is rather complex, the resolution itself is straightforward and clear. The active clause of the resolution asks the Council to support the Department of Environmental Management's Integrated Waste Conversion and Energy Project as implementing the goals of the County's Integrated Solid Waste Management Plan to increase diversion of Maui County's waste from its landfills and implementing waste-to-energy technology. EKO does not believe that the project, as submitted, meets the prioritization goals of the Integrated Solid Waste Management Plan. The Integrated Solid Waste Management Plan very clearly outline the County's waste-management priorities as 1) source reduction, 2) recycling and bioconversion including composting, and 3) landfill and incineration. While it's true, the Anaergia proposal does significantly increase the amount of materials diverted from the landfill, a significant portion of the commodities stream will be converted into solid fuel, including the entire organics stream. The end result of solid fuel is incineration. EKO believes that composting the organics stream is a more economical and environmentally beneficial means of organics management and better achieves the goals as prioritized in the ISWMP. Since the last Committee meeting, EKO has entered into an MOU with Anaergia to explore the possibility of composting the organics stream. EKO is highly encouraged by these initial meetings and believes Anaergia is sincere in working with EKO to address our concerns. While this in no way guarantees that composting will become an aspect of this project or that EKO and Anaergia will form a business relationship, EKO believes Anaergia will seriously consider all aspects of this possibility. Considering the long-term nature of the contract and the purpose of the resolution to provide consensus on such an important project, EKO believes the resolution is premature at this time. Deferring or withdrawing the item, at this point, allows Anaergia the opportunity to continue addressing our concerns that have been raised while in no way preventing the project from moving forward. EKO believes the good-faith effort of Anaergia will result in a project with much stronger community and industry support in the near future. Mahalo for the opportunity to testify. I'll be staying during deliberations if you have any further questions, and I hope you all have a very happy holidays.

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CHAIR HOKAMA: Thank you, Ms. Smart. Members, any questions for Ms. Smart on her testimony that she has provided? Having none, Ms. Smart, thank you very much.

MS. SMART: Mahalo.

CHAIR HOKAMA: Ms. Lono, is there anyone in the Hana Office that would like to provide testimony today, this morning?

MS. LONO: Good morning, Chair. This is Dawn Lono at the Hana Office, and I have no one waiting to testify.

CHAIR HOKAMA: Thank you. Ms. Fernandez, Lanai, is there anyone wishing to provide testimony?

MS. FERNANDEZ: Good morning, Chair. This is Denise Fernandez on Lanai, and there is no one waiting to testify.

CHAIR HOKAMA: Thank you. Ms. Alcon, anyone wishing to provide testimony on Molokai?

MS. ALCON: Good morning, Chair. This is Ella Alcon on Molokai, and there is no one here waiting to testify.

CHAIR HOKAMA: Thank you, ladies. I shall continue with the Chambers. Next is Christine Sa`u.

MS. SA`U: Good morning, Maui Council Committee Chairperson, Mr. Riki Hokama, and fellow Council members. My name is Christine Sa`u. And on December 2, 2013, I offered my testimony to you on behalf of Aloha Waste Systems; our owner, Mr. Kostj Shirvanian; and our General Manager, Mr. Stacey Fritz. Today, I come before you as a representative of Aloha Waste as well as a concerned, Maui resident with family history to this island as well as future hopes for my children. I believe that the Integrated Waste Conversion and Energy Project will benefit our island and future generations to come. The more you think about it, landfills are not a positive option or solution. They create strong odors, not to mention the vermin that reside there, they also release harmful greenhouse gases. One of the concerns I have noticed is in regards to the future of current recycling companies on Maui. I, personally, do not believe that this project will impact these companies. From working with some of them through my current job at Aloha Waste Systems, I know that they have programs in the community that this project will not be focusing on. The more I read and sit back and listen, the more I believe it will be a win-win situation for the three C's: the County, the companies and the community. I don't mean to sound insensitive, but the world is constantly growing, changing and evolving. There's always something bigger and better out there, and you either evolve with the times or get left behind. Think back to a time when we have tons of bank tellers. Now, we have tons of ATMs and fewer tellers. What is the significance? Yes, less teller positions opened, but the need was created for skilled technicians and trained individuals to create the ATMs, program them, maintain them and fill them. This project will create opportunities for skilled laborers, scientists, technicians and inventors, allowing new opportunities for our young people; and even the not so young will open

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doors for our youth to seek a beneficial career--excuse me--a beneficial career back home on Maui while, at the same time, creating a better environment for all of us. I don't know about you, but I want my children to be among those working towards creating and inventing a better tomorrow. I appreciate your time; and, on behalf of Aloha Waste Systems, Mr. Shirvanian, Mr. Fritz and myself, we strongly support this project and applaud Mayor Arakawa and DEM Director, Kyle Ginoza, and their teams for their vision they have for a better Maui.

CHAIR HOKAMA: Thank you, Ms. Sa`u. Members, any questions for the lady on her testimony this morning? Having none, Ms. Sa`u, thank you for being here.

MS. SA`U: Thank you.

CHAIR HOKAMA: Next is Charlotte O'Brien.

MS. O'BRIEN: Good morning.

CHAIR HOKAMA: Good morning.

MS. O'BRIEN: Charlotte O'Brien. I was part of putting in one of the proposals, and I would like to talk about the financials that...sorry, I spent the last ten days reviewing Anaergia's proposal and I've looked at their financials. So in scenario number two which is the one that's the most environmentally beneficial than the one that they do not want to do because it requires gasification and a lot more investments, \$170 million investments as opposed to \$100 million, the returns would be about \$39 million a year, by looking through their numbers and cross referencing everything. So that would be, using all the gas, would be about \$4.4 million by selling to MECO at 18 cents a kilowatt, \$16.4 million in tipping fees and 4.6- in recyclables and then the gasification would be about 13.3 million. So this is the environmentally responsible option because it takes all the digestate and the RFDs and it gasifies them. What it's not responsible with is that it takes 14,000 tons of ash and puts it in the landfill, and the 15 percent of hazardous waste that is not dealt with by Anaergia is then dealt with by the County. What is that going to cost? What's it gonna cost when you have all the paint and the solvents and the pesticides and stuff that the County has to deal with because Anaergia does not? There're other options that will deal with that. So, and more importantly, it's an old technology. It's only 21.2 percent efficient for their gasifier conversion to electricity, so they're leaving on the table 2 billion kilowatt hours of electricity over the next 20 years, 2 billion kilowatt hours. Now, scenario number one, which is the one they prefer because it's less expensive and because they make more money in this one. By sending the RFDs off island--which they've never discussed how much is it, they've never told us how much money is that 'cause they can't find an off taker--is actually, if you look at 118 tons per year at 15.9 gigajoules per ton, that is--because it's \$10 per gigajoule per ton, that's why it's \$160 per ton--that's \$18.8 million on international market. So that brings them up to \$50 million return on a \$100 million investment; that is, of course, if you're an offshore investor, that's what you wanna do. If you don't really care about the aina, that's the one that you're gonna wanna take. So but it's a liability to Maui, we lose all that energy. Not only do we lose the...it's actually 11.7 megawatts, but we lose an additional

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17.2 megawatts because they're not converting the waste to energy. The waste to energy is a...technology's been around since the '30s and can convert that much waste heat to energy. And they're complaining that they don't have dispatchability because they're gonna be using a steam engine, an old-fashion technology, so that MECO doesn't want to buy their electricity 'cause it's not dispatchable. It could be dispatchable. All of that energy from that waste stream, which is a lot of plastics, it's 14 to 17 percent plastics, could be dispatchable.

CHAIR HOKAMA: Okay. Ms. O'Brien, your time is up.

MS. O'BRIEN: Okay.

CHAIR HOKAMA: Members, questions for Ms. O'Brien on testimony she presented to you? Thank you very much for your testimony this morning, Ms. O'Brien. Next, we have a Richard Platek. Excuse me for mispronouncing your name.

MR. PLATEK: Good morning, Council.

CHAIR HOKAMA: Good morning.

MR. PLATEK: I have no special interest in this issue. I am a retired scientist who came to Maui 12 years ago. But I met Ms. O'Brien, who just testified, and she explained to me the details of her proposal. And one of the things that stood out that I was interested in is the use of biochar, which is a way of returning to the earth much of the nutrition that is in the waste that's being just considered waste. And this is a very intriguing notion. The university where I taught for 35 years, Cornell, happens to be a leader in that area. This isn't my field, but when I saw that, I became concerned, just appear before you and say that it should be considered. It is a technology that is very well considered by environmentalists and hopeful in reducing climate change because it sequesters carbon when put back into the earth, it's as if you've planted forests. And to use the waste from Maui for that purpose seems to me, as a resident, something of great value. Thank you for your interest.

CHAIR HOKAMA: Thank you for your testimony. We appreciate...any questions for the gentleman, Members? Thank you for being here. Next person is Damon Lesjack.

MR. LESJACK: Greetings, Council. I just encouraging you to take more time in considering the Solid Waste Management Plan. The one being considered is too general from what I could tell. A full accounting of the economic and the carbon recapture are needed. The upcoming environmental era has to do with turning trash into energy to meet the upcoming, increasing energy demands. And then there's also, I've become aware of some people that work in the County that are already paid on staff and considering their professional opinions in the whole consideration of the proposal. It seems like a vital part of the information collecting. And then I've also become aware that some of the pathogens and toxins that can be retained through some of the other processes that have been considered for the trash remediation. And then just that, again, that it's

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a really a long-term contract, so you may need to take some extra time in considering all these factors. And thank you very much.

CHAIR HOKAMA: Mr. Lesjack, thank you very much for your...could you state your name for the record so we get it correct, please?

MR. LESJACK: Damon Lesjack.

CHAIR HOKAMA: Lesjack?

MR. LESJACK: Yeah.

CHAIR HOKAMA: Thank you, sir. Any questions for the gentleman on his testimony, Members? Having none, Mr. Lesjack, thank you for your comments. Next, we have Sam Small.

MR. SMALL: Good morning. My name is Sam Small. Thank you for the opportunity to speak here this morning. I appreciate your time and energies that you're putting into this important issue. I request, at this time, that you defer what is being proposed. The information that we've received on this program is insufficient. The numbers, the financial numbers that you have received, I believe, are misleading. I don't know whether that's intentional or just out of naivety; I'll leave that to others to decide. Recycling that has been proposed that got added into this process at the last minute is inconsistent with the RFP. The County will be at legal risk if it accepts any proposal under this existing RFP. Let me just...at previous Council meetings, the question was asked, was a consultant used by the County? And the answer never came, because County Council stepped in and said that it was inappropriate to give that level of detail. Well, the question was...she pretended that we were looking for the name of the consultant to find out who that consultant was; that wasn't the question. The question was, was a consultant used? And that didn't get answered. My understanding is that a consultant for this RFP was not used. The RFP was cobbled together from old RFPs used for old projects that were created over the past 20 years; and, therefore, was based on information and technology that was at least 20 years old. That's an okay thing to do if you know going into it that the RFP is flawed. You're going to mine the technology companies for their information and learn from their proposals, then take what you learned creating new RFP with the best available technology and go with that. So we're halfway through the process. The existing proposal is a half measure. It doesn't answer all of Maui's problems and it doesn't use the best technology available. I was responsible for bringing a proposal to the County as one of the 20, and I'd like to submit that proposal to this Council. It represents technology that is light years ahead of what is being proposed. Basically, what's being proposed is a fancy cesspool. They just, you know, it's gonna break it down and it's gonna leave stuff, they can't control the toxicity of it, they have no effective plan for dealing with contaminated waste which is going to end up as your responsibility and your liability. It's a cesspool. New technology that is available that has been built and proven, there are plants existing in Japan that have been manufactured. Mitsubishi, a major manufacturer, has built several of these plants and they're operating in Japan. We almost had Siemens on the line to make a proposal for this technology, but they were shy of doing any business in the State of

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Hawaii because of vagaries that have happened historically on significant projects like this in the State of Hawaii.

CHAIR HOKAMA: Mr. Small, thank you very much for your testimony. Your time is up. You may submit whatever information you have brought.

MR. SMALL: Yes, thank you. I have the proposal. It's --

CHAIR HOKAMA: Yeah.

MR. SMALL: --greatly detailed, and I think it would be a great benefit to at least understand that there are additional, new technology options. Thank you.

CHAIR HOKAMA: Okay. Thank you for that. Any questions for Mr. Small on his testimony that he has presented to you, Members? Okay. Mr. Small, thank you very much; and please leave your submittal, we'll be happy to have that shared. Thank you.

MR. SMALL: Thank you.

CHAIR HOKAMA: Next is Mr. Tim Botkin.

MR. BOTKIN: Good morning, Mr. Chair and Council.

CHAIR HOKAMA: Good morning.

MR. BOTKIN: Thank you for the chance to be here. My name's Tim Botkin. I'll just mention to you, I'm Instructor and Program Coordinator at the UHMC Sustainable Science Management Program, so that is where I come from on this conversion. Waste to energy is, of course, a very, very significant one in our field and it presents a lot of opportunities and, particularly, in our island context where we're trying to use resources. Now, a lot of people consider sustainability to equate to environmental protection, it really is not. It's really about human use of resources and making sure we do so efficiently and effectively and how it affects other aspects of our community as well as environmental issues, certainly that's an important piece. Waste to energy offers an opportunity because it extends resources. It's not as high on the hierarchy, for example, as reuse or recycling, but it is critical because it allows us to not landfill and throw things away with an end of life and no value. So an important thing to remember is that when we talk about sustainability if there's a science to it, which I think there is, the two big issues are to consider the long term and to consider the breadth of issues involved and not to just grab onto something that seems to work without taking a longer, broader view. So waste to energy on Maui is very big, to say the least, offers a lot of issues to consider. The proposal on the table, as I see it, makes me some concern based upon some of the issues you've already heard, I think, with regard to its ability to really wrap around the potential that we have. I think and I hope those of us in Maui take a high standard. We think that this is a very exceptional place as an island, as a paradise economy, I would call it; we need to be careful with it because the ramifications do spin

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off even further than just what we do here. So we're in the middle of issues, though, talking about how to change our energy delivery, how to make it cleaner, how to implement renewable items, we have aging infrastructure in Kahului and at HC&S that needs to be worked on, and we need to improve our emissions, quality of life and, again, how the world perceives us both for climate change and other purposes. So I believe there are other alternatives out there. I know, for example, there's a current conversation going on between a technology and HC&S which would take the bagasse and convert it in a cellulose-to-biodiesel process, which is fairly new but exists today, to create biodiesel. The interesting piece of this, now, is that instead of trying to establish a new power generator at this site, you could transfer biodiesel and sell to MECO who could then replace petroleum imports. So look at all the efficiencies we've created and all the benefits we've created in that process, very significant in terms of reducing emissions, using biogas and providing incentive to reduce field burning, even to bring in other alternatives and to integrate the renewables that we have already. So the broad piece is something that I think we can do. I would mention I've also had experience in government in a capacity very much similar to yours and I know it's difficult sometimes to try to put your hands around and actually take steps, but action is where it is. In an island economy, in sustainability, often mistakes show up a lot bigger than do improvements and victories, I know that. And I know that information's hard to come by to make good steps, but I believe we can do it. This is a big issue, 20-year horizon minimum, \$100 million minimum. And if the efforts and the focus is put together properly, some time is taken to explore other possibilities, I think there can be a great, great victory in this. And I hope you take a look beyond what's before you right now. Thank you.

CHAIR HOKAMA: Thank you for your testimony. Members, any questions for Mr. Botkin on his testimony? Okay. Having none, thank you very much for your comments this morning. Rosemary Robbins, next.

MS. ROBBINS: Morning, everybody.

CHAIR HOKAMA: Good morning.

MS. ROBBINS: I am not a scientist, either. I'm learning a lot. And the three items on our agenda this morning look like somewhat of a full-court press in the eleventh hour of the calendar year 2013. When we take a look at the first item, the Policy and Intergovernmental Affairs Committee-2(19), it is dealing with correspondence from the Mayor that was received on the 26<sup>th</sup> of November 2013, so just last month, and it has to do with an issue that has a deadline for January 25, next month, 2014. And if the issue doesn't get passed by way of looking into and discussing this and coming to a conclusion on it, it passes anyway. So why it would be on this full-court press timeframe is past me. I don't get why that should have to be. And it also says on the status of it that the Committee may consider other related actions to it. Maybe deferral would be an appropriate timeframe for that; that was some recommendations from folks who testified before me on another issue this morning. Second one on today's agenda, PIA-1(17), has to do with settlement from an automobile accident. The claim was 2011 to 2012 to 2013 to 2014 in the fiscal year. And this one comes to our attention this morning from Corporation Counsel and it has to do with settling from an automobile incident and it also identifies that there are more

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executive meetings anticipated; that means that the community is left out on those when we're having executive meetings on those, okay. And then the third one, the last one on today's agenda, is the implementation of County of Maui's 2009 Integrated Solid Waste Management through the Integrated Solid Waste Conversion and Energy Project. I hope everybody's been listening this morning and gaining more than probably most of us knew, definitely, more than most of us knew. Again, I'm questioning as to why that's coming in in mid-December when this has been around since 2009. And, also, it states in the presentation and that, this morning, that one or more executive meetings are anticipated, so just like the item that's before that that I just spoke about, we're talking about executive meetings, community left out on input on that. So, on Friday's meeting this week, we have 27 agenda items in the County Council meeting, and that's only four days from now.

CHAIR HOKAMA: Ms. --

MS. ROBBINS: Robbins.

CHAIR HOKAMA: --Robbins, you may not speak about the Council agenda, 'cause that is not what is before this Committee this morning.

MS. ROBBINS: Okay. I'm trying to give you some life here. It looks as though you would have to be up 24 hours a day from the time to whenever these issues would come up again. I think you deserve the time to be able to deal with things that are really timely. Launiupoko has a time, deal on it, that's one of the issues that is coming up again. So I'd like you to be able to deal with what needs to be able to deal with in a timely manner. That's been a chronic, negative symptom for some of the stuff over the years. So I'm wishing you health and stamina to be able to do that. Thank you.

CHAIR HOKAMA: Thank you, Ms. Robbins. Any questions for Ms. Robbins on her comments, Members? Having none, Ms. Robbins, thank you for your presence.

MS. ROBBINS: Thank you. Welcome back.

CHAIR HOKAMA: Next is Brian McCafferty.

MR. McCAFFERTY: Aloha, Council members, Chairman.

CHAIR HOKAMA: Good morning.

MR. McCAFFERTY: Good morning, everyone here. I'd like to introduce one of our work crews here. Okay. This is one of our work crews from Teens on Call. We're a work skills training program, and we bring you our aloha. And we look at the...we're going to address the resolution that's being considered for the waste-to-energy program. We work with a recycling program that we started about five years ago with the visitor industry. And, at some point...I don't think they've been distributed to you yet, but we left our 16 copies of the numbers for our program and the

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volumes, the huge volumes--great, thank you, Robert--the huge volumes that we process just in our little...as a component, as a part of our work skills program. You see us all around town doing other things, but we have this very dynamic recycling program which has made us aware of how much rubbish goes into the landfill that's not processed. And so this proposal that's up there, the County and Anaergia, if you approve the resolution to move forward, it will take a good three years for this to be put together. And the County renewed, recently, their contract with EKO Compost for three more years with two one-year extensions, so nobody's trying to kick EKO Compost out or Pacific Biodiesel out, either; there's the proof of it, they renewed the contract recently with them at the landfill. Anaergia, we've talked with them a few times, Arun Sharma, the President. And I was glad to hear Biodiesel's...I mean EKO Compost's testimony this morning because they mentioned how Anaergia has created an MOU with them. I appreciate Aloha Waste Recycling being here saying what they're saying, because...and I've talked with Tom Reed, I have nothing but aloha for Tom Reed and his company and all the people who are presently working the system at the landfill and just gathering rubbish around the island. There is definitely the ability to increase the amount that we recycle at the landfill and to get greater community cooperation and in collecting, for instance, plastics. The last time I was here, I passed around a sheet on plastics recycling. Plastics can be put back into oil and it's environmentally friendly. We have off-gas reports analysis and so forth, Japan and Oregon. And those of you who are familiar with the County Fair, Mike Victorino gave me this idea last time, actually, just by him making a comment. Few years ago, we put 55-gallon drums around the County Fair that were painted by students--and every year we do this working with Community Work Day--the students paint their cans with environmental messages and we put them with recycle baskets around the County Fair. Within a couple years, our community, being the kind...you know, being composed of the kind of people we have in our community, the fairgrounds is clean. People walk over to these cans and they put their rubbish in the cans. And we do a number of other special events.

CHAIR HOKAMA: Mr. McCafferty, you're gonna need to...

MR. McCAFFERTY: Oh, I'm turning red here.

CHAIR HOKAMA: I'll give you one sentence to complete.

MR. McCAFFERTY: Okay. Thank you. So my message is that students can actually educate the community--there's programs in place now with Akaku and Sustainable Living Institute and so forth--and can educate the community collect plastics, collect more things that can be recycled. Waste to energy is recycling in a sense and there is a market. Hawaii Gas wants the liquefied natural gas, there are some number of things going on, HC&S is evolving their biofuel projects and Anaergia can digest biofuel crops, too. So there's a great future for this, and it's not gonna happen overnight. The people who are here are not gonna be displaced. There's gonna create more jobs, and I think we'll definitely see that. Okay. Thank you for your time, folks.

CHAIR HOKAMA: Mr. McCafferty, thank you. Members, any questions for Brian this morning? Okay. Thank you very much. Next, we have Clayton Kaina.

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MR. KAINA: Howzit, good morning.

CHAIR HOKAMA: Good morning.

MR. KAINA: I just came to say that I believe in the resolution of the waste. And I just came for just support for Brian McCafferty and his program. Thank you.

CHAIR HOKAMA: Thank you, Mr. Kaina. Any questions for Mr. Kaina, Members? Thank you for being here. Ray Shimabuku?

MR. SHIMABUKU: Good morning, Mr. Chair --

CHAIR HOKAMA: Good morning.

MR. SHIMABUKU: --Members of the Council. My name is Ray Shimabuku. I'm a business representative for the International Brotherhood of Electrical Workers, Local Union 1186. One of my main duties as a business representative is to provide referrals for employment for our members. A project of this matter would be opportunity for our members to get out to work and also for work in community people as well. On a personal note, I remember as a youngster going to the, what we used to call, the rubbish dump, up in Haliimaile by the old Maunaolu College and also the Makawao dump up in the pineapple fields up by Maui Uplands. Those days, you know, I cannot remember of any recycle programs, but with today's technology in recycling, I firmly believe that this is an opportunity to create renewable energy for our community. As we have more waste coming to the islands, more people on Maui, makes sense that we support this type of a program that would convert the waste to the energy. So I'm just here to show my support in this project and ask for your support as well. Thank you.

CHAIR HOKAMA: Thank you, Mr. Shimabuku. Any questions for the gentleman, Members? Having none, thank you for being here. I'm gonna go to our district offices. That was the last person who had requested to provide testimony in this Chambers. The Chair will give one last opportunity to those that have not spoken a chance to speak, so please make yourself known and we'll provide that. Ms. Lono, anyone in Hana wishing to provide testimony?

MS. LONO: The Hana Office has no one waiting to testify, Chair.

CHAIR HOKAMA: Thank you. Lanai, Ms. Fernandez, anyone would like to give testimony?

MS. FERNANDEZ: There is no one waiting to testify on Lanai.

CHAIR HOKAMA: Thank you. Ms. Alcon, anyone wishing to provide testimony on Molokai?

MS. ALCON: There's no one here on Molokai waiting to testify.

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CHAIR HOKAMA: Okay. Thank you very much. Members, there is no further requests for testimony. With no objections, the Chair shall close testimony for this portion of today's meeting.

COUNCIL MEMBERS: No objections.

CHAIR HOKAMA: Okay. So ordered. Thank you, ladies at our regional offices.

*...END OF PUBLIC TESTIMONY...*

**ITEM PIA-2(19): NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS**  
**(COUNCIL ON AGING) (CC 13-42)**

CHAIR HOKAMA: May I direct you, Members, please, to Item 2(19). This is under the heading of Nominations to Boards, Committees, and Commissions. We have received correspondence November 26, from the Mayor, with his nominee of Karen Bretharte to the Council of Aging for a term expiring March 31, 2016. Council, by Charter, has a decision to make by January 25, 2014, on the nomination. Unfortunately, we have no one from the Office of the Mayor this morning regarding the nomination. The Chair would just state that, normally, Mr. Molina gives us updated applications, and no one requested Ms. Bretharte to be present. She has some very good experience in Florida and San Diego. The Chair had only one concern that her contacts are still with an area code of Southern California. And so I am considering another option besides moving this forward this morning, but I am open to the Members' comments. Any comments by the Members on this consideration before us this morning? Mr. Couch, anyone?

VICE-CHAIR COUCH: Thank you, Mr. Chair. Just a thought of, you know, it's really hard to get people for this committee.

CHAIR HOKAMA: Uh-huh.

VICE-CHAIR COUCH: I was wondering if your other options were that you had somebody else in mind or...

CHAIR HOKAMA: No. I just wanted Mr. Molina to have some time to --

VICE-CHAIR COUCH: To say?

CHAIR HOKAMA: --check with the nominee and see if...

VICE-CHAIR COUCH: Are they not coming up today at all or...

CHAIR HOKAMA: You know, I don't believe Mr. Molina is available today. We can call.

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VICE-CHAIR COUCH: 'Cause we do have a deadline.

CHAIR HOKAMA: Yeah, and the Chair has already planned out...we can take this up at the next meeting. If it's a timing issue, as we have done in the past, we have been able to discharge and...yes, Carla?

MS. NAKATA: Mr. Molina is on his way to the Chamber.

CHAIR HOKAMA: Okay. Thank you, great.

VICE-CHAIR COUCH: Okay.

CHAIR HOKAMA: We'll give Mr. Molina a moment. But that would be the options --

VICE-CHAIR COUCH: Okay.

CHAIR HOKAMA: --as we've done in the past, discharge.

VICE-CHAIR COUCH: Okay.

CHAIR HOKAMA: Yeah.

VICE-CHAIR COUCH: Thank you, Chair.

COUNCILMEMBER CRIVELLO: Chair?

CHAIR HOKAMA: Yes, Ms. Crivello?

COUNCILMEMBER CRIVELLO: Then, too, this application was from August 2012, yeah. So, if she's moved here or not, you know.

CHAIR HOKAMA: Yeah, that would be a good update from Mr. Molina, for us. Because she had maintained her business contacts as area code 619, which we know is Southern California, and we just need to know, can she fulfill her responsibilities? We'll take a...that's good. I was gonna take a recess, but Mr. Molina was very quick in his appearance, so we appreciate that. Mr. Molina, thank you very much for this quick appearance before the Committee, we appreciate your presence.

MR. MOLINA: Thank you, Mr. Chairman, and my apologies ... (*inaudible*)... you and the Committee.

CHAIR HOKAMA: No, no apologies necessary. You know, with the nominee of Ms. Bretharte, we noticed it's a little dated, the application, and, you know, we do note that her contacts' prefixes

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are all still in Southern California, so is this a issue for her to be able to fulfill her responsibilities if confirmed to the position?

MR. MOLINA: Mr. Chair and Committee Members, no, not at all. Upon speaking with her, she said she will certainly make herself available and she does have the time to attend. And we'll certainly provide you an updated application. 'Cause I do recall your request from the Committee was to have applications not older than two years and, I guess, this application's about two years and four months, so we'll make sure that we'll get you that new application. And she did assure us that time wouldn't be a problem. And the Council on Aging, they meet every other month --

CHAIR HOKAMA: Okay.

MR. MOLINA: --so roughly six times a year.

CHAIR HOKAMA: Okay. Members, any questions for Mr. Molina? Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. Just one or two questions.

MR. MOLINA: Sure.

COUNCILMEMBER GUZMAN: On the...it looks like her work experience from California ends in 2007. Does that mean she then moved to Maui in 2007?

MR. MOLINA: You're correct, Council member, yes.

COUNCILMEMBER GUZMAN: And then another question that has come up in the past in terms of balancing the diversity of commission members in regards to representation of different districts: Molokai, Lanai, Maui. What's the makeup of the diversification on this commission?

MR. MOLINA: Okay. Well, first of all, the Council on Aging are currently 15 members. There is one representative from each island. We try as much as we can, depending on who the applicants are, to get somewhat of a geographical balance, if you will. And I'm glad you also brought that up, too. Mr. Chair, I'll provide you some information. I guess I believe Councilmember Cochran had made a request about gender balance --

COUNCILMEMBER GUZMAN: Yes.

MR. MOLINA: --on our commissions, so I have that information that I'll present to you at a later time.

CHAIR HOKAMA: Okay.

MR. MOLINA: But, as in most commissions, we try as much as we can to look at those, you know, whether it be a gender balance or in terms of geographical balance as well. But there is currently

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one sitting member from Lanai and one sitting member from Molokai. And I don't have the full information now as far as the other members, where they're from; but my guess is the majority of members do come from central Maui and I think, I believe, Kihei and parts of Upcountry. But I'll provide that information to you, Council member, under your . . . (*inaudible*) . . . Mr. Chair.

COUNCILMEMBER GUZMAN: Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you very much, Mr. Molina.

MR. MOLINA: Okay.

CHAIR HOKAMA: Any further questions for Mr. Molina, Members? Okay. Your Chair is satisfied with the responses provided by Mr. Molina. The Chair is open to a motion to recommend the name of Karen Bretharte to the Council of Aging for a term expiring on March 31, 2016 on Exhibit B. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. I move to adopt the resolution, Appointment of a Member to the Council on Aging and moving Ms. Bretharte's name to Exhibit B.

CHAIR HOKAMA: Exhibit B, thank you.

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

CHAIR HOKAMA: I have a motion by Mr. Couch, seconded by Mr. Victorino. Is there any discussion, Members? Having none, all in favor of the motion, please say, "aye".

COUNCIL MEMBERS: Aye.

CHAIR HOKAMA: Opposed, say, "no". Motion passes, eight "ayes", one "excused".

**VOTE: AYES: Chair Hokama, Vice-Chair Couch, and Councilmembers Carroll, Cochran, Crivello, Guzman, Victorino, and White.**

**NOES: None.**

**EXC.: Councilmember Baisa.**

**ABSENT: None.**

**ABSTAIN: None.**

**MOTION CARRIED**

**ACTION: Recommending ADOPTION of revised resolution approving the nomination.**

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**ITEM PIA-1(17): LITIGATION MATTERS (SETTLEMENT AUTHORIZATION: CLAIM OF BRIDGET NAKAMA; CLAIM 2011-059) (CC 13-41)**

CHAIR HOKAMA: Thank you very much and thank you for your quick presence, Mr. Molina.

MR. MOLINA: Sorry, my apologies, Chairman.

CHAIR HOKAMA: We apologize for that last-minute request.

MR. MOLINA: Okay. Thank you, Chairman; thank you, Committee.

CHAIR HOKAMA: Thank you. May I direct you, Members, to Policy Item 1(17) under Litigation Matters? This is a settlement authorization, a request regarding the Claim of Bridget Nakama, Claim No. 2011-059. On December 2<sup>nd</sup> of this month, we have received correspondence from the Department of Corporation Counsel, with a proposed resolution authorizing settlement of Claim No. 2011-059 of Bridget Nakama. We have Ms. Lutey from the Department of Corporation Counsel to give us comment on this in open session. Ms. Lutey?

MS. LUTEY: Good morning. Actually, we have outside counsel for this matter, Jonathan Ortiz, who is seated to my right, to give you a brief summary of this matter. We will be requesting executive session on this.

CHAIR HOKAMA: Okay. Thank you. Counselor?

MR. ORTIZ: Yeah, good morning. I was appointed Special Counsel due to a conflict in this matter. This is litigation arising out of an automobile accident involving a County employee, hence the Corporation Counsel was conflicted out. The matter is in pre-suit, but we have received a settlement demand; and we are here to discuss that and request authority. So, with that, and we'll go into more details in executive session, but we would request executive session.

CHAIR HOKAMA: Okay. Thank you. Members, is there any questions for Counsel in open session regarding this item before the Chair considers additional procedural action?

COUNCILMEMBER VICTORINO: No.

CHAIR HOKAMA: Okay. Then the Chair, upon request of Corporation Counsel, shall be open to a motion for executive session under Section 92-5(a)(4) of the Hawaii Revised Statutes, which allows this Committee to consult legal counsel on questions and issues pertaining to its powers, duties, privileges, immunities, and liabilities of the County, the Council, and this Committee; as well as Section 92-5(a)(8) of the Hawaii Revised Statutes, to deliberate or make a decision upon a matter that requires the consideration of information that must be kept confidential pursuant to a State or Federal law, or a court order. Mr. Couch?

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VICE-CHAIR COUCH: Thank you, Mr. Chair. I move to...we go into executive session pursuant to HRS 92-5(a)(4) and 92-5(a)(8) for the reasons mentioned in your comments.

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

CHAIR HOKAMA: I have a motion by Mr. Couch, seconded by Mr. Victorino to enter into executive session according to two sections of Hawaii Revised Statutes 92-5. Any discussion, Members?

COUNCILMEMBER VICTORINO: No.

CHAIR HOKAMA: Having none, all in favor of the motion, please say, "aye".

COUNCIL MEMBERS: Aye.

CHAIR HOKAMA: Opposed, say, "no". Motion passes with eight "ayes"; one "excused", Ms. Baisa.

**VOTE: AYES: Chair Hokama, Vice-Chair Couch, and Councilmembers Carroll, Cochran, Crivello, Guzman, Victorino, and White.**

**NOES: None.**

**EXC.: Councilmember Baisa.**

**ABSENT: None.**

**ABSTAIN: None.**

**MOTION CARRIED**

**ACTION: APPROVE; RECESS open meeting and CONVENE executive meeting.**

CHAIR HOKAMA: Let's see. The Chair's gonna take a short recess not to go into executive session, yet, Members; but I just need a short recess. . . .(gavel). . .

**RECESS: 10:03 a.m.**

**RECONVENE: 10:04 a.m.**

CHAIR HOKAMA: . . .(gavel). . . Okay. This Committee shall return to open session. During the recess, your Chair has a chance to consult with Corporation Counsel to proceed with the rest of the agenda on a timely manner because we do also have Ms. Cochran's Committee that has agendized a scheduled meeting this afternoon. The Chair will take this matter, at this time, into

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executive session. The Chair would like to have as much of open discussion on Item 57 as possible and only enter into executive session upon a specific requirement. And so, at this time, because I'm also aware of the needs of Special Counsel that has been assigned to this, we are going to enter into executive session upon recess, okay. So recess for executive session. . . .(gavel). . .

**RECESS: 10:05 a.m.**

**RECONVENE: 10:30 a.m.**

CHAIR HOKAMA: . . .(gavel). . . The Policy Committee shall return to order. Members, we have just completed executive session on Policy Item 1(17). With that, Members, I'm going to be open to a motion to move forward the proposed resolution under the terms of executive session. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. I move to adopt the resolution entitled, Authorizing Settlement of Claim No. 2011-059 of Bridget Nakama.

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

CHAIR HOKAMA: We have a motion made by Mr. Couch, seconded by Mr. Victorino. I have a motion to recommend to Council adoption of a resolution entitled, Authorizing Settlement of Claim No. 2011-059 of Bridget Nakama under the terms and conditions of executive session. Any further discussion, Members? Having none, all in favor of the motion, please say, "aye".

COUNCIL MEMBERS: Aye.

CHAIR HOKAMA: Opposed, say, "no". Motion passes with eight "ayes"; one "excused", Ms. Baisa.

**VOTE: AYES: Chair Hokama, Vice-Chair Couch, and Councilmembers Carroll, Cochran, Crivello, Guzman, Victorino, and White.**

**NOES: None.**

**EXC.: Councilmember Baisa.**

**ABSENT: None.**

**ABSTAIN: None.**

**MOTION CARRIED**

**ACTION: Recommending ADOPTION of resolution.**

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**ITEM PIA-57: IMPLEMENTATION OF COUNTY OF MAUI'S 2009 INTEGRATED SOLID WASTE MANAGEMENT PLAN THROUGH THE INTEGRATED WASTE CONVERSION AND ENERGY PROJECT (CC 13-350)**

CHAIR HOKAMA: May I direct you, please, to Policy-57, Implementation of County of Maui's 2009 Integrated Solid Waste Management Plan through the Integrated Waste Conversion and Energy Project. We have a communication, 13-350, from Mr. Ginoza, Director of Environmental Management, with a proposed resolution entitled, Supporting the Implementation of the County of Maui's 2009 Integrated Solid Waste Management Plan through the Integrated Waste Conversion and Energy Project. This morning we have Mr. Ginoza present. So, Director, if you would give us your comments, and the Chair would like to do as much as possible in open session please, Mr. Director.

MR. GINOZA: Thank you, Chair. Thank you for the opportunity to be here before you today. I have nothing further to add since the last meeting. Thank you.

CHAIR HOKAMA: Okay. Deputy Counsel, any additional comments, Ms. Thomson?

MS. THOMSON: None at this time. Just to caution the Committee Members that if their question's regarding the contract, it's still in negotiations so we'd need to handle those in executive session.

CHAIR HOKAMA: Okay. Thank you for that comment. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. I have a question for Mr. Ginoza. Were you in receipt of the critique of your PowerPoint by Mr. Stark?

MR. GINOZA: Yes.

VICE-CHAIR COUCH: Do you have any comments on that that you can say in open session? I mean we can go through each of his commentaries if you'd like, but I was just curious as to how we can respond to that kind of stuff in open session.

MR. GINOZA: I don't agree with what he put in. And I could go point by point if you'd like, but I don't know how you'd like to handle that.

VICE-CHAIR COUCH: It's up to the Chair. But I mean there was some interesting comments made, and I just would like to see what our stance is in that.

CHAIR HOKAMA: The Chair will allow the discussion to continue until Ms. Thomson would advise you or Mr. Ginoza that we're straying into areas that may need to be protected by State law.

VICE-CHAIR COUCH: Okay. Yeah, and if you wouldn't mind. I mean it starts with Slide No. 6, Item 2, talking about the...

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CHAIR HOKAMA: Yeah, Mr. Couch, you know, to help, for the records, if you would maybe help frame --

VICE-CHAIR COUCH: Sure.

CHAIR HOKAMA: --the question so that the Director can respond properly?

VICE-CHAIR COUCH: Okay. It talks about the tipping fee guarantees. He claims that the tipping fees can approach \$400 a ton --

MR. GINOZA: Sure.

VICE-CHAIR COUCH: --there.

CHAIR HOKAMA: Director?

VICE-CHAIR COUCH: Do we have any guarantees on the tipping fees?

MR. GINOZA: Sure. The testifier alleges that the developer could set tipping fees to whatever level he or she'd like; but, in fact, per contract, the tip fee is set over the next 20 years. And so this allegation that it could escalate to \$400 a ton is something that would be in breach of contract.

VICE-CHAIR COUCH: Okay. So there are specific limits?

MR. GINOZA: Yes.

VICE-CHAIR COUCH: Okay. Mr. Chair, I don't know if you wanna continue on. There's...

CHAIR HOKAMA: Well, I'm gonna allow the Members to have multiple rounds. So, you know, if you're done at this particular point, we'll come back to you.

VICE-CHAIR COUCH: For the tipping fees, yeah, I'm fine.

CHAIR HOKAMA: Okay. Mr. White, questions?

COUNCILMEMBER WHITE: On the tipping fees, the blended rate of \$65 per ton has been stated, but my understanding is the tipping fees will be charged based on which waste stream is involved, is that correct?

MR. GINOZA: Yes.

COUNCILMEMBER WHITE: Okay. So the green waste will continue at, what, I believe 29?

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MR. GINOZA: Yes.

COUNCILMEMBER WHITE: And how will we be handling the...what's gonna be charged for the residential trash that comes in from the County trucks?

MR. GINOZA: It would be \$68 from the year one.

COUNCILMEMBER WHITE: Okay. So that would then increase by 2 percent as --

MR. GINOZA: Yes.

COUNCILMEMBER WHITE: --you just stated. And how much of a reduction in our landfill cost can you identify as an offset to that \$68 a ton? 'Cause I believe that's gonna be 3.6 million or something in that neighborhood.

MR. GINOZA: So basically what we're looking at is increasing costs...oh, sorry. May I, Chair?

CHAIR HOKAMA: Director.

MR. GINOZA: What we're looking at is increase in costs to the County from the perspective of those waste streams that we currently do not collect a tip fee from, including our residential refuse collection. We would have to pay for that, a tip fee. And so I calculate that to be on the order of about \$4 million.

COUNCILMEMBER WHITE: Uh-huh.

MR. GINOZA: Because that also includes other County-generated refuse such as what we get at Olowalu as well as what other departments bring to the landfill that we currently waive the fees for as well as what is at the landfill that we collect from self-haulers. So the tip fee associated with that is on the order of \$4 million that we would pay. However, if you look at the actual cost that we save by doing this level of diversion, we would save on the order of 3½ million as far as space from the landfill that would be the deferred landfill development cost because we're extending the life of the landfill and...oh.

COUNCILMEMBER WHITE: And over what lifetime would that \$3.5 million savings...

MR. GINOZA: Annually.

COUNCILMEMBER WHITE: By not having to create more landfill space?

MR. GINOZA: Basically, if you look at what it costs us to develop and then, you know, buy the land, design, develop, post-closure of a landfill, we calculate a rough cost of the air space, per se, you know, what it would cost...not including the labor operations part of operations. And that, for the amount of tonnage we have, would be on the order of about a \$3 million savings. So instead

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of, for instance, we needing to do another landfill development in, say, eight years, we'd be able to extend that to maybe double or more of that landfill life. And it's that savings of landfill space that is captured in that number. So, you know, if you look at our last landfill development, it was like...I know the construction cost was something like \$8 million, and so that kinda construction cost would be deferred. As well as you look at savings in operations from landfill cover --

COUNCILMEMBER WHITE: Uh-huh.

MR. GINOZA: --the dirt, because we'd have less trash to have to cover.

COUNCILMEMBER WHITE: It'd be helpful I think if we could see what those calculations are...

MR. GINOZA: Sure.

COUNCILMEMBER WHITE: I'm having a hard time grasping the \$3½ million savings annually if the cost to develop a new landfill is 8 million, just...

MR. GINOZA: It's also the post-closure cost and everything.

COUNCILMEMBER WHITE: Yeah, I just...it'd be helpful if --

MR. GINOZA: Okay.

COUNCILMEMBER WHITE: --we could get some sort of a calculation on that. Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: Not at this time right now, thanks.

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: I guess the question I have...and there's a lot of questions, but I think some of them would fall into executive session, so I don't wanna go there. But the testifier mentioned that you had...and I'm trying to remember the statement that was made about a qualified consultant for the RFP or something of that nature. I think that was the statement was made, so and that was never answered. And I guess it begs...and I think it was because you didn't want to disclose who you had worked with, which I have no problem with. I think what was a, I guess, consultant worked with as far as formulating this RFP or was it strictly what you and your Department worked on?

CHAIR HOKAMA: Director?

COUNCILMEMBER VICTORINO: And, again, I hope I'm not crossing anything. I'm trying to be very gentle on this.

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CHAIR HOKAMA: Ms. Thomson?

MS. THOMSON: No, that's a question that can be answered in open session.

COUNCILMEMBER VICTORINO: Okay, thank you.

MR. GINOZA: We did not hire an outside consultant to craft the RFP, we did it in-house.

COUNCILMEMBER VICTORINO: Okay. Was strictly in-house?

MR. GINOZA: Yes.

COUNCILMEMBER VICTORINO: No outside help was asked for?

MR. GINOZA: No.

COUNCILMEMBER VICTORINO: Okay. Thank you. I think that was one of the questions --

MR. GINOZA: Sure.

COUNCILMEMBER VICTORINO: --the public wanted to understand. Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you. Mr. Carroll, questions? Ms. Crivello?

COUNCILMEMBER CRIVELLO: I do, though, it may be referred to executive session. One of the  
testifiers mentioned about the incineration of solid fuel, is that something that's going to happen  
here or is it going to be...

CHAIR HOKAMA: Director?

MR. GINOZA: It is something that a portion of what cannot be recycled or used in the anaerobic  
digestion process. There is a residual material that can either be landfilled or turned into a solid  
fuel. And so the way that the developer proposed it is to make a solid fuel as a coal replacement.  
So it is the plan to make a solid fuel.

COUNCILMEMBER CRIVELLO: And to incinerate here?

MR. GINOZA: Not necessarily. I mean it's something that, you know, right now they're developing the  
offtake agreements contingent on getting approval from the County. And then they'll decide if  
it'll be incinerated here or off island or out of State.

COUNCILMEMBER CRIVELLO: Okay. Thank you, Chair. I think the others would be in executive  
session.

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CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, thank you. Mr. Ginoza, in answering Mr. Couch's questions, you mentioned our stance and also in the consultation question, too, and you said it was done in-house or, you know, this is our stance, and I'm thinking that would be your Department of Environmental Management people. So does that include...who does that include, like, Hana Steel, I mean, Doug McLeod? I haven't heard from any of these people who I would think is directly involved and have, you know, definite kuleana in regards to this whole subject matter. So they were included?

MR. GINOZA: Sure. So just to more fully answer Mr. Victorino's question, we did not use a consultant, but we typically do not use consultants because we feel like we have the in-house expertise to develop RFPs because it's something that we're looking to have for the County. And it's something that it's had a number of individuals vet the...we've had a number of individuals vet the process. It's something that we have consulted with Doug and I have given the RFP to the Solid Waste Division. Who reviewed it in the Division? I'm not sure. I got comments back. So I don't know who, specifically, commented what.

COUNCILMEMBER COCHRAN: Okay. And I guess and then our Environmental Coordinator has a part, too, in all of this or did he, Rob Parsons?

MR. GINOZA: We've kept him apprised, you know, I mean that's kind of it. I mean he was able to provide input if he wanted to. We got limited input from him.

COUNCILMEMBER COCHRAN: Okay. And are we doing another round, Chair?

CHAIR HOKAMA: Yeah.

COUNCILMEMBER COCHRAN: Okay.

CHAIR HOKAMA: If you're done at this round, we'll return to you, Ms. Cochran.

COUNCILMEMBER COCHRAN: Okay. Thank you.

CHAIR HOKAMA: Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. Mr. Ginoza, back on the PowerPoint presentation, it talked about the County being able to guarantee minimum tonnage. And he claims that a lot of this is commercial tonnage, which we saw is about 43 percent that, right now, is not in the control of the County. When you have your buffer and whatnot, the 41 percent buffer, does that take into account that potentially a lot of the stuff that's being collected commercially, the 53 percent I think is the number you had on there --

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MR. GINOZA: But that was including C&D, though.

VICE-CHAIR COUCH: --yeah--is that factored into this buffer?

MR. GINOZA: Mr. Chair, may I?

CHAIR HOKAMA: Director?

MR. GINOZA: Okay. So in the slide that I included previously --

VICE-CHAIR COUCH: Uh-huh?

MR. GINOZA: --it was, our current number is about 200,000 tons per year; that's inclusive of roughly 150,000 tons per year of municipal solid waste, both residential and commercial, green waste, sewage sludge and fats, oils and grease. So that equates to about 200,000. The minimum guarantee is 125,000. If you look at County-controlled MSW, it is roughly 60,000 tons per year between our County residential refuse collection that our County trucks do, what comes to the landfill by self-haulers as well as what we get at Olowalu and other county haulers. So that equates to about 60,000 tons. If you add the sewage sludge, fats, oils and grease and the green waste, which would also come to the landfill, that's another, roughly, 50,000 tons. So that's about 110,000 tons without the commercial MSW. So the commercial MSW is about 91,000 tons per year.

VICE-CHAIR COUCH: That comes across the scales?

MR. GINOZA: Yeah. So that is true, we do not control that, but we would only need a small portion of that in order to meet the minimum guarantee. And if you look at the ability for someone else to develop a landfill or some other method, it's quite arduous and quite, you know, the regulatory compliance for such an endeavor is very arduous; and that's why it's left to the public sector to handle such an enterprise. And so if you look at what we can kind of, you know, as far as what we would guarantee versus what is available, I mean there is a significant buffer still.

VICE-CHAIR COUCH: Well, you mentioned green waste. What if, for instance, the company that is in there now decides, oh, we're gonna lease some land and take all the green waste and still do our product, would that affect your being able to meet the minimum?

MR. GINOZA: I don't think so. I mean if you look at...okay, so it's at 200,000 tons, even if we lost the roughly 25,000 tons of green waste --

VICE-CHAIR COUCH: Okay. So it's 25--

MR. GINOZA: --we're still at 175,000, and the minimum is 125--. And that's at these levels that if you look at historical numbers of what kind of municipal solid waste, the levels we get at our landfill, we're at the low at 150,000 tons. It's gone up to 250,000 tons when development was more

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robust. And so that's why we felt comfortable with the level that we're at as far as waste generation is at a low point; and, yet, we still have a significant buffer to what we would guarantee.

VICE-CHAIR COUCH: But that includes the commercial.

MR. GINOZA: That's correct.

VICE-CHAIR COUCH: Okay. And you don't anticipate all of that going away? In fact, it sounds like you're thinking all you need is a small portion of it. But you don't see it totally going away if, for whatever reason, the commercial side decided to go on their own?

MR. GINOZA: I find it highly, highly unlikely that commercial providers would find an alternative method. Because even if you look at, like I said, the ability to create another landfill, I don't think it's something that commercial sector would wanna...because of leachate and different regulatory requirements, it's something that I personally would not wanna get into the business just to go against the County. So is it something that could happen? I mean anything could happen. Is there a, you know, is there a likelihood of it happening? I say it's very highly unlikely.

VICE-CHAIR COUCH: Okay. That's it for this round.

CHAIR HOKAMA: Okay. Thank you very much. Mr. White?

COUNCILMEMBER WHITE: Yeah, on another subject, one of the concerns that I had was, when I asked Anaergia if they had this same type of operation in place elsewhere, their comment was, they have all the pieces operating in other places, but this would be the first place in the world where all of them would be, I guess, addressing the same waste stream. Have you seen all these pieces working and working in a way that you feel, when they come together here, they're all gonna do what seems to be promised to us?

MR. GINOZA: Yes. I have seen plants, with these different type of operations, function well. And it is a matter of we have basically two separate processes and each has functioned separately and really doesn't come together once the feedstock is separated. So I have personally seen these type of plants function and function well.

COUNCILMEMBER WHITE: And does that include the separation of colored bags based on which kind of materials are being put into the residential trash cans? For example, he mentioned that there would be colored bags for different types of materials and that they would be sorting it by color. Have you seen that operating effectively?

MR. GINOZA: I have not seen actual...basically the NRDC had suggested that Anaergia consider doing some separation at the residence, and that I know there's technology, too, once you see a blue bag to separate it this way versus the rest of the stream. However, I personally have not

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seen where municipalities use a different color bag for the mixed recyclables. I've seen it where they've done separation, both manually and automated.

COUNCILMEMBER WHITE: Uh-huh. And then the other question I had was regarding our current recycling programs. What are we spending currently on the various recycling programs?

MR. GINOZA: In aggregate or for each one?

COUNCILMEMBER WHITE: In aggregate?

MR. GINOZA: I would say...I mean I know like on, like the compost, we spend \$80 a ton from our wastewater, so it comes out to like almost, you know, 1.8 million. And then we have like our drop boxes which is another, say, around 500,000. So I would say, in aggregate, maybe about maybe 2½-3 million.

COUNCILMEMBER WHITE: Okay. And because my understanding is that what is diverted is 43 percent of the total waste stream. Now, when you used the figure roughly 200,000 tons, that doesn't include the things that are currently being recycled through, you know, through the commercial haulers, right?

MR. GINOZA: No.

COUNCILMEMBER WHITE: So it's just the things that actually touch the...

MR. GINOZA: Actually come to the landfill.

COUNCILMEMBER WHITE: Right.

MR. GINOZA: So you can imagine on the order of 120,000 tons or so, we never see at our landfill because it's diverted by either a County program through grant funds --

COUNCILMEMBER WHITE: Right.

MR. GINOZA: --or a contract or something that the commercial sector has taken on him or herself. And so the 200,000 is actually what's coming to our landfill, and that a lot of the diversion is happening before that. So really the amount of what you would consider in MSW, municipal solid waste, is more on the order of the generation being, I don't know, it'd be 300,000 tons and that...just over 300,000 tons. So if you see that slide, I think I presented it on the December 2<sup>nd</sup> where I showed the flows.

COUNCILMEMBER WHITE: Uh-huh.

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MR. GINOZA: Basically, it's on the order of I think about 320,000 tons is what would otherwise come in in absence of any diversion program. But because of what's in here from what is County funded and non-County funded, we only see about 200,000 tons actually come to our landfill.

COUNCILMEMBER WHITE: Okay. But still about, I don't know, about 46,000 tons of the 200,000 are still diverted from the landfill through EKO and the others.

MR. GINOZA: Yes.

COUNCILMEMBER WHITE: So what does that come to? One twenty...about 160 something. I'm trying to get a sense of what we're diverting now and at what cost, and I think would be helpful if we could get a handle on that. My concern is, as we move forward with collecting, we're having to pay the tipping fees and still, from an operating standpoint, you had mentioned that we're not gonna be cutting back too much in the way of landfill costs other than the cover and, you mentioned today, the future replacement cost. I'm just trying to get a handle on what it is of the expenses that are gonna go away completely and what is gonna replace them and what is your budget gonna look like next year or the year after or the year after that? So that's my concern, Chair. Thank you.

CHAIR HOKAMA: Okay. Thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: I think my questions tend to be more inclined for the executive session in terms of an exit strategy portion of it.

CHAIR HOKAMA: Okay. Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you, Chair. And, again, most of mine. But I have one question on, again, on the tonnage. Going to, I guess, Slide No. 10, yeah. Our residential, as you mentioned, was approximately, what, 60-70 tons a year?

MR. GINOZA: What we collect from our residential --

COUNCILMEMBER VICTORINO: Yeah, what you collect from our residential...

MR. GINOZA: --refuse collection is roughly 42,000 tons.

COUNCILMEMBER VICTORINO: Forty-two thousand, okay. I stand corrected, yeah. Based upon what you know as far as the growth patterns, would you see that increasing substantially as we build out, for example, Waiale, Kihei? I mean there's a number of projects that, over the next five to seven years, are gonna come on line. And what does an average--I don't know, this maybe a real hypothetical question--but what does an average household produce as far as waste? You know, say three children, mother, father, maybe a household of five, but that's also very difficult because there are many households that have more than five people living in it.

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MR. GINOZA: Sure. There is a number --

COUNCILMEMBER VICTORINO: Yeah.

MR. GINOZA: --that is reported, but I don't know offhand and I don't wanna guess.

COUNCILMEMBER VICTORINO: Yeah, no, alright. I would be interested to see that, Mr. Chair, because I think that also can, you know, help us when we're making decisions looking at growth out. Because we are gonna grow. There's no question we're going to continue to grow and residential will continue to grow. And so how much that would be affecting the total number if we had 42- now, in ten years, we'll be at 52-, 60-? I don't know what it might be. But I know you look at everything in totality, it's an aggregate figure; and you've based that difference of 41 percent, you know, that, you know. However, I don't see that buffer getting any smaller. If not, the buffer should grow.

MR. GINOZA: Right.

COUNCILMEMBER VICTORINO: And commercially, again, I agree with you, I don't think...I mean our construction landfill is about to the end. There's a mountain there. What used to be a deep hole, I mean a big, big canyon there and now it's a mountain being built. So and that concerns me, also, because we're running out of room there. We gotta go find someplace else or they have to find someplace else, yeah. So I'll wait till executive session, Mr. Chair, for further questions.

CHAIR HOKAMA: Thank you. Mr. Carroll, questions?

COUNCILMEMBER CARROLL: No, thank you, Chair.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Not right now, Chair.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, thank you, Chair. And still I kind of thinking upon Mr. White's comments in regards to your budgetary future, you know, and how this is all gonna roll out and the numbers and the forecast, and I just really don't have a full, clear kind of accounting of what that scenario's gonna look like at this point, Chair. It's quite unclear to me because it sounds like we will still have landfill operations, we'll be paying a tipping fee, you know, and so I just kinda wanna see more of the math work on all of this, you know. I'm not very comfortable in just saying, well, this is our best guesstimate and we think this or that. And so I'm sort of wanting to get a little more clarity upon that subject matter. But also, in regards to the RDF, if I'm figuring this, majority of I guess the byproduct from this facility will be that, is that true, like 50 to 60 percent of that?

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MR. GINOZA: No. It'd be less than that.

COUNCILMEMBER COCHRAN: Is there a amount then that you can throw out there that you figure would be? And 'cause there's a big question in the air of what's gonna be done with it, so that's another unanswered question, too. So --

CHAIR HOKAMA: Director?

COUNCILMEMBER COCHRAN: --couple concerns, Chair, that I have and wanted more clarity from...

CHAIR HOKAMA: Okay. We'll see if the Director can respond to your concerns. Director?

MR. GINOZA: Chair, if you don't mind, we have the developer's representative here. I'd rather he answer that question. Mr. Arun Sharma, if that would be acceptable or...

COUNCILMEMBER COCHRAN: If you wanna allow it, Chair?

CHAIR HOKAMA: I would...the Chair is open if the Members have no objections.

COUNCIL MEMBERS: No objections.

CHAIR HOKAMA: Okay. If Mr. Sharma would consider coming forward and responding to some of the questions presented by the Members, that would be appreciated. Okay. Thank you for joining us. And if you would please identify yourself and the position you are in, please?

MR. SHARMA: I'm Arun Sharma. I'm the President of Anaergia Services.

CHAIR HOKAMA: Okay. Thank you. Would you like Ms. Cochran to repeat her question or do you believe you can respond to her concerns at this time?

COUNCILMEMBER COCHRAN: Oh, Mr. Sharma...oh, I...

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, I was just...well, I was trying to figure out I thought the percentage, you know, majority of the byproduct, I guess, from your facility would be the RDF that everyone's talking about. And then there's a question of how that is going to be dealt with whether used here or, you know, another island or internationally. And then the percentage seems to be at all different, you know, levels, too. So if you have more clarity that you can, you know, more light shed on that aspect.

MR. SHARMA: Sure. So let me answer the percentage question first. The percentage of material that is residual that's converted into solid fuel--we call it engineered solid fuel--will vary a little bit

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and it'll depend on the amount of material that we're able to recycle based on the protocols that we're developing, it's still on the drawing board. But if I have to give you a range, that percentage would not be more than 20 to 25 percent at the most. And it's our endeavor to reduce that material as much as we can so more and more material can be recycled. This material, this engineered solid fuel, would be engineered to work with existing permits or very little permit modification and whatever facility it's going to be used in. There is interest on island, off island and there's significant interest internationally as well in this product.

COUNCILMEMBER COCHRAN: And another? And, Mr. Sharma, so also, I'm just trying to figure out the byproducts that your facility, I believe, will be generating and also the, I guess, like the composting, not kinda like what EKO does. But what would be the byproducts I guess, in a sense, that you would have to be dealt with in some other way than to convert it into a usable...

MR. SHARMA: It's recyclable material.

COUNCILMEMBER COCHRAN: Uh-huh?

MR. SHARMA: There is renewable natural gas, there is engineered solid fuel and there would be some residual matter that'll go into the landfill which would largely be inerts like grape stones, dirt.

COUNCILMEMBER COCHRAN: So a biogas?

MR. SHARMA: Correct.

COUNCILMEMBER COCHRAN: And that can be utilized as energy?

MR. SHARMA: Yes. It's the same as natural gas. It has same constitution as natural gas and it could be used either as a transportation fuel, power-generation fuel, it could be used in tiki torches, cooking fuel, a variety of uses.

COUNCILMEMBER COCHRAN: That's LNG or no?

MR. SHARMA: It could be either in the form of compressed natural gas or it could be in the form of liquefied natural gas.

COUNCILMEMBER COCHRAN: And you have a percentage of what would be produced?

MR. SHARMA: Currently, we're working with various off-takers who have expressed interest in this product. And it would either be 100 percent LNG or 100 percent CNG. We do not intend to make it either, you know, in percentages, 'cause that would be additional capital costs doing that.

COUNCILMEMBER COCHRAN: Oh wait, sorry, a clarification question? No, I meant the biogas or this portion of your byproduct, what would that percentage be in the overall byproducts produced

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by the facility, this biogas would be 10 percent, 5 percent? I mean did you have a number for that at all at this point?

MR. SHARMA: It's a very technical answer because its volatile solids are converted into biogas, so that carbon neutral gets converted into biogas. We expect to make about 200,000 million BTUs of this product initially at the landfill.

COUNCILMEMBER COCHRAN: And the other thing I was looking, the word was "digestate", which I guess it's a form of...I don't know if it's sludge or...

MR. SHARMA: Digestate is a material that comes out of anaerobic digester. And, initially, it is in liquid form and it would have maybe anywhere between two to five percent solids, in that range. And this material could be used in variety of ways. It could be concentrated and this could be used as part of the fuel. If we're able to work out a composting solution that we're trying to work out very diligently, this could be used in composting operations as well. And it's a very good byproduct for composting.

COUNCILMEMBER COCHRAN: Okay. And which is similar to what EKO is currently doing, kinda?

MR. SHARMA: It could be somewhat similar to what EKO's doing.

COUNCILMEMBER COCHRAN: Oh.

MR. SHARMA: And we hope that we're able to strike a partnership with EKO and make them part of our operations.

COUNCILMEMBER COCHRAN: Okay. Chair, I have others, but I'll let other Members chime in at this point.

CHAIR HOKAMA: Okay. Thank you. Mr. Couch?

COUNCILMEMBER COCHRAN: Thank you.

VICE-CHAIR COUCH: Thank you, Mr. Chair. As long as you're here, Mr. Sharma, thank you for coming. It's been stated in this critique of Mr. Ginoza's slides that H-POWER's reported to have told Anaergia President, you, that they will not buy Maui's refused-derived fuel, but will charge them with a tipping fee to burn in their incinerator. Any comments on that?

MR. SHARMA: We have not had any specific conversations with H-POWER so far.

VICE-CHAIR COUCH: Okay. So you anticipate they may be a purchaser of your RDF?

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MR. SHARMA: There is a possibility that H-POWER could be a purchaser of this engineered solid fuel. We understand that they are short on the material that they need for their new plant. We have also talked to a variety of other off-takers.

VICE-CHAIR COUCH: Yeah, you mentioned there's international interest in the RDF?

MR. SHARMA: Yes.

VICE-CHAIR COUCH: Okay. And, as long as he's up here, Mr. Chair. Thank you for reaching out to EKO. I'm assuming you're also reaching out to all the other current recyclers that the County uses.

MR. SHARMA: We are reaching out to the current recyclers as well; however, we are not impacting any current recycling programs or business. This is only new recyclable material which ends up in the landfill today.

VICE-CHAIR COUCH: So you're saying that the stuff that they are already doing that they can continue and...

MR. SHARMA: They would continue to do that.

VICE-CHAIR COUCH: For instance, I know Pacific Biodiesel is onsite at the landfill, are you still anticipating getting the FOGs to them?

MR. SHARMA: Yes. We've had a few conversations with them. I believe they have their own connection systems as well --

VICE-CHAIR COUCH: Uh-huh.

MR. SHARMA: --as there's some amount of fats, oils and grease that is controlled by the County which was part of this RFP. And we've had conversations with them. I believe that we are very complementary in what we do because we can give them the fats, oils and grease and they could give us their byproduct that can be used in the biodigesters. So we're actively having those negotiations or conversations at this point in time.

VICE-CHAIR COUCH: Okay. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. Thank you for coming, Mr. Sharma. Does the--I don't know if you can tell us this--but in your discussions with those who might be able to use the engineered fuel, do those discussions lead you to believe that there's enough of a market that you will be able to sell the fuel on a consistent basis?

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MR. SHARMA: We're very confident that we'll be able to sell this fuel. In fact, I also have our technical people here who are actively having discussions with Department of Health. So it would take a lot of work to be done to ensure that this fuel actually qualifies under their permits or with minimum permit modifications.

COUNCILMEMBER WHITE: And what is the process that you would be putting the...taking the RFD and making it an engineered coal replacement? What is the process that would go through?

MR. SHARMA: So it's a material that cannot be recycled. And there are different grades of the solid fuel that are made in the industry, and, you know, the ranges are for calorific value, the contaminants in there. And we're still on the drawing board as far as the final constitution of this fuel is concerned. And we're fairly confident we'll be able to meet requirements either on island or off island for this fuel as a coal replacement. The process really...to give you the constitutions of this fuel, it basically has, you know, paper, you know, non-recyclable plastics, it's got things like textile, leather and other, you know, products. It could have certain amount of biomass as well. And the process really is, after maximizing recycling the material that cannot be recycled, that is densified and it's converted into solid fuel and they look like small briquettes of charcoal.

COUNCILMEMBER WHITE: Yeah, I guess my concern is, we heard from HC&S that they're concerned about having to retrofit their process in order to meet the standards. And I'm not quite understanding the process that you're talking about to remove whatever the elements are that make it difficult for them to burn without, you know, without upgrading their facility.

MR. SHARMA: Right. So we've had several discussions with HC&S, and their official position is that you have to show us that you can produce a fuel of a quality that will be able to be burnt within our existing boilers, under our existing permits; and that requires work with Department of Health. We have to recreate the fuel and we have to show them data that that would actually happen. But it's a significant cost and it's a very involved process and it takes time.

COUNCILMEMBER WHITE: Okay. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Guzman, any questions at this time? Mr. Victorino?

COUNCILMEMBER VICTORINO: No, not at this time.

CHAIR HOKAMA: Mr. Carroll? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Not at this time.

CHAIR HOKAMA: Ms. Cochran, any last questions for resource?

COUNCILMEMBER COCHRAN: Yeah, thank you. And there was a testifier that mentioned biochar.

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MR. SHARMA: Yes, biochar. It's a separate process, it's called a pyrolysis process and it creates a product which is called "biochar". That product is very good as a soil amendment. And County's requirement was that we need to produce a proposal that has three years' operating history, it's a commercial proposal. We also have technology that can produce biochar. We, however, did not include that in our proposal because it did not qualify for the three-year operating history requirement in the RFP. Downstream, it's quite possible that the product that we made could go through a low temperature pyrolysis and produce biochar if the industry here in Hawaii can support it.

COUNCILMEMBER COCHRAN: Okay. 'Cause, currently, you will be producing an ash, a form of ash.

MR. SHARMA: No.

COUNCILMEMBER COCHRAN: Not at all?

MR. SHARMA: Not at all.

COUNCILMEMBER COCHRAN: Okay. My question was, if you were and if it was going to be, you know, the process was gonna create this biochar, that could be beneficial to us; but, at this point, no?

MR. SHARMA: Yes, of course.

COUNCILMEMBER COCHRAN: Okay.

MR. SHARMA: Some of the solid fuel could be converted into biochar and pyrolysis oil downstream, so there is a possibility to do that.

COUNCILMEMBER COCHRAN: Okay. Thank you. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. One last thing for you, Mr. Sharma. It says here that the Anaergia proposal states that in order for their product to be successful, they must have access to Maui's entire waste stream. And you were just telling us now that it's not the entire waste stream, it's just the County's portion of the waste stream?

MR. SHARMA: The financials of the project are based on what was in the RFP in terms of the waste streams that are available and the tipping fees that would be available. Our proposal is flexible from the perspective that we could produce different byproducts if we need to. For example, if we need to go the composting route, we could; but the financials are based on getting the waste streams and the tipping fees associated with that.

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VICE-CHAIR COUCH: All the waste streams?

MR. SHARMA: Yes.

VICE-CHAIR COUCH: So including the 43 percent commercial?

MR. SHARMA: Yes.

VICE-CHAIR COUCH: Okay. So if you don't get the commercial waste stream, if it happens to go out to other folks, then that makes your model...your financial model, will it still work?

MR. SHARMA: Well, the financial model would work, it would have lower returns; and that's one of the risks as a developer that we take.

VICE-CHAIR COUCH: Okay. Alright, thank you, Chair.

CHAIR HOKAMA: Okay. Mr. White?

COUNCILMEMBER WHITE: Thank you. Mr. Sharma, the waste stream that you were promised, was that at the 200,000 ton level or what is your understanding of what that total waste stream is?

MR. SHARMA: Well, the County provided us with a characterization and the amount of waste streams that are available and we're still going through contract negotiations in terms of the minimum tonnage, but that tonnage is guaranteed by the County at about 125,000 tons, I believe.

COUNCILMEMBER WHITE: Yes, 125,000. I was wondering if the number that you were seeing as a normal waste stream was the 200,000-ton number that we were looking at earlier.

MR. SHARMA: Mr. White, the way these contracts usually work as we include a certain amount of risk. We are assuming that we would continue to receive all the waste streams that the County receives. However, for financeability purposes, you have to provide minimum guarantees for debt service; and the financial institutions, they require the developer to take a certain amount of risk and put equity in there. So if the waste streams were to go down at some point in time, the debt-service ratios would still be covered; however, the rate of return on the equity would not be there, and that's the risk that I'm talking about.

COUNCILMEMBER WHITE: No, I understand that, I understand the minimum being the 125,000 tons.

MR. SHARMA: Right.

COUNCILMEMBER WHITE: I'm just asking you what your financial projections are based on, is it the 200,000 to 220,000-ton minimum?

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MR. SHARMA: The full returns are based on 200,000 tons, in that range.

COUNCILMEMBER WHITE: Okay.

MR. SHARMA: We have designed significantly, upsized the facility, because there was a requirement in the RFP to design the facility to a much higher requirement in case the waste streams in Maui are more in the future.

COUNCILMEMBER WHITE: Okay. Yeah, I just wanted to clarify that the 320,000-ton amount that Mr. Ginoza mentioned, which includes other recyclables, is not being promised to Anaergia.

MR. SHARMA: It's not included in our design or projections.

COUNCILMEMBER WHITE: Okay. But the green waste and FOG is part of that promised waste stream?

MR. SHARMA: Correct.

COUNCILMEMBER WHITE: Okay. Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you. Mr. Guzman? Mr. Victorino?

COUNCILMEMBER VICTORINO: No.

CHAIR HOKAMA: Any further questions for our resource person at the podium at this time?

COUNCILMEMBER COCHRAN: Chair?

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: One last one.

CHAIR HOKAMA: Sure.

COUNCILMEMBER COCHRAN: Thank you, Chair, sorry.

CHAIR HOKAMA: No, no apologies.

COUNCILMEMBER COCHRAN: So for the RDF, and if so happens there's a way to utilize it and burn it here, that does not create an ash? I mean...

MR. SHARMA: If it's used on island by an off-taker, they will produce ash like any other fuel.

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COUNCILMEMBER COCHRAN: And can that ash be turned into this biochar that could be probably a more beneficial type of ash for us?

MR. SHARMA: Ash cannot be turned into biochar, no ash can be turned into biochar.

COUNCILMEMBER COCHRAN: Or the process, I guess, the way...I don't know. I'm trying to figure out a way to get this end product to create another usable, you know, beneficial...

MR. SHARMA: It's possible to use that ash as, you know, as an amendment, you know, for making roads, you know, and construction industry for cement and other...there is a use for ash. And, you know, certain percentage of, it could be used or all of it could be used depending on the market.

COUNCILMEMBER COCHRAN: Okay. Thanks, Chair. Thank you, Mr. Sharma.

CHAIR HOKAMA: Thank you. Any last questions for Mr. Sharma from the Committee at this time? Having none, thank you very much for responding to the Committee's questions.

MR. SHARMA: Thank you for the opportunity.

CHAIR HOKAMA: Thank you. Any further questions for the Director in open session, Members? Let me ask the Director a question. You know, there's a, I guess for me--and don't get me wrong--I'm generally in support of the direction the County wants to go. I'm looking at reducing General Fund subsidies as much as possible or total elimination of General Fund subsidy is where I would like to go. And I appreciate Mr. White, as our Budget Chair, asking hard, budget questions. But also, during the term of this anticipated contract, how does the County get to benefit from new technology that comes along the way during the term of the contract or is there no way for us to benefit from those new technology breakthroughs, Director, or is there something in the contract itself that has reopeners that has the ability for us to look at improving what we're currently doing with the proposal? Ms. Thomson?

MS. THOMSON: There are parts of that question that'll need to be answered in executive session regarding some of the benefits that are in the contract, but are currently under negotiation.

CHAIR HOKAMA: Okay. But the Committee can have response to my question in the appropriate form, Director, Ms. Thomson? ...I need an answer from one of you, please? Director?

MR. GINOZA: So as far as any technology advancements, as far as, you know, if we wanted to make a different byproduct at the end or output at the end, I mean the most likely feedstock for that would be the solid fuel. And so it is something that, depending on the disposition of this solid fuel. I mean typically, if you look at these technologies that have come about in the last decade, it's not you throw everything into a pit or into some kind of system and out flows a usable product. There is a lot of preprocessing that is involved to get rid of contaminants like inerts from the system which is where they create what is traditionally known as RDF or some kind of

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fuel. And so that is really the greatest opportunity to be able to make use of these emerging technologies once they're mature. And that was really how we structured this RFP is that we wanted something that was commercially proven with still some flexibility of no matter what, it's kind of like phase one is to create this refused-derived fuel or engineered solid fuel to then see if there's opportunity when these technologies advance and are mature to make a product that could be used on island. So it is something that having some flexibility as far as, you know, what is the output right now is appreciated by the County. Because say, you know, Richelle Thomson's process comes out better in the next five years, that can be used as the input rather than the County or the developer trying to start off with raw municipal solid waste. We've gotten, you know, halfway through the process with this and have already started diverting municipal solid waste from the landfill. So it does present opportunity to embrace these other technologies.

CHAIR HOKAMA: Okay. That makes me a bit more comfortable, Director. You know, the Chair is aware of some advancements particularly by our military institutions, but it doesn't make the three-year litmus requirement. But they are doing interesting things within the military complex. And eventually, you know, two years from now, that technology becomes able to meet the three-year County requirement, and I'm just wondering whether or not we have that ability in the future to add on or graph. You know, if you're an agriculturalist, you graph things on to create hybrids and improvements. So I'm just trying to maintain the County's options and abilities to make use of newer, better technology. And if that lowers the cost and Mr. White doesn't need for us to look at subsidies, you know, that would please this Chairman a lot. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. Mr. Ginoza, on the green waste, do we, right now, it costs us so much per ton to produce...or I mean to dispose of, but do we end up with a net profit on this, on the green waste, or is there a cost involved? It's my understanding, through some of the stuff especially through the biodiesel and the green waste and the sludge component that we tend to make a little bit of a profit on that, and will that profit remain if we go through this process?

MR. GINOZA: Currently, with the current contract we have with EKO Compost, we charge as a County tip 20...oh, sorry, \$30 a ton and we, through the commercial green waste haulers, and we collect...I mean, and they collect \$20, so there is a \$10 differential. In their proposal on this project, they had asked for \$30, so what we collect, they would get. And with Anaergia's proposal, it's \$29; that we collect 30 or whatever this body sets it at, and then we give them \$29. So if you're looking at an apples to apples comparison, it was \$30 is what EKO is offering on a 20-year contract and Anaergia's offering 29. The current process is whatever tip fee, which is currently 30, they take 20 of that.

VICE-CHAIR COUCH: Okay. But under the new proposal, since that old contract is expiring soon, is that what you're saying?

MR. GINOZA: In, I think, 2½ years or --

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VICE-CHAIR COUCH: Oh.

MR. GINOZA: --something like that.

VICE-CHAIR COUCH: So, right now, we'd be still --

MR. GINOZA: Yes.

VICE-CHAIR COUCH: --making \$10 a ton, but after 2½ years, it would be even --

MR. GINOZA: Yes.

VICE-CHAIR COUCH: --unless we raise the price of the green waste.

MR. GINOZA: Yes.

VICE-CHAIR COUCH: Okay. And that amount is fixed, the \$20 or \$30 is fixed?

MR. GINOZA: No. Fixed in what perspective?

VICE-CHAIR COUCH: That they are charging us.

MR. GINOZA: So we charge whatever the Budget --

VICE-CHAIR COUCH: Right.

MR. GINOZA: --Committee sets as the tip fee and then what we pay them is set.

VICE-CHAIR COUCH: It is fixed, okay --

MR. GINOZA: Yes.

VICE-CHAIR COUCH: --that amount is fixed. And you're saying, Anaergia is saying, for the next 20 years it's gonna be \$29 a ton is what they're charging us.

MR. GINOZA: With the 2 percent escalations.

VICE-CHAIR COUCH: With escalations, okay. Okay. Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you. Any other questions for...Mr. White?

COUNCILMEMBER WHITE: I'm a little confused. Who gets the \$20? Does EKO pay the County \$20?

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MR. GINOZA: So, currently, we control the scale house at the Central Maui Landfill. So if you, as a green-waste hauler come in, you will pay me at the scale house, you pay the County \$30 a ton.

COUNCILMEMBER WHITE: That's right, I have it the --

MR. GINOZA: And then from...

COUNCILMEMBER WHITE: --other way around. And you pay EKO 20?

MR. GINOZA: Then the County pays EKO \$20 to process the green waste.

COUNCILMEMBER WHITE: Okay.

MR. GINOZA: So the net of what I collect versus what I give out is \$10 a ton, for green waste only.

COUNCILMEMBER WHITE: Okay. So what EKO is saying...is EKO going to 30 from the 20 or they're still...

MR. GINOZA: In the proposal, because they bid on this Integrated Waste Conversion and Energy Project, their proposal was \$30 a ton that the County would pay them.

COUNCILMEMBER WHITE: Probably because we were collecting \$30 a ton.

MR. GINOZA: Yeah, they wanted it all.

COUNCILMEMBER WHITE: Okay. So we are making a profit under this current setup?

MR. GINOZA: For green waste, yes.

COUNCILMEMBER WHITE: Yeah, okay. Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you. Other questions for the Director in open session?

COUNCILMEMBER COCHRAN: Chair?

CHAIR HOKAMA: Yes, Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, I'm just trying to figure out the dollars and cents here. So I mean, currently, the way we're operating, we are making a profit and generating monies off the entities. And in regards to Mr. Couch's inquiries in regards to Pacific Biodiesel, Chair, if I understand, I think their CEO is in the gallery, currently. And if there's a way to have him come down?

CHAIR HOKAMA: Who would you like to request?

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COUNCILMEMBER COCHRAN: His name is Sam Millington. I think it's the CEO for the Pacific Biodiesel. Mr. Millington here, yes?

CHAIR HOKAMA: Is the gentleman here? Yeah. With no objection, does the Committee have an objection?

COUNCIL MEMBERS: No objections.

CHAIR HOKAMA: We'll be happy to ask him if he would care to respond to questions.

MR. MILLINGTON: Good morning, Chair; good morning, Council.

CHAIR HOKAMA: Please identify yourself and the position you represent, please?

MR. MILLINGTON: Sam Millington, CEO of Pacific Biodiesel.

CHAIR HOKAMA: Okay. Thank you very much. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, sir, for being here. And I believe that we have a e-mail that had been sent to this body and it was in reference to, I guess, dialogue between the company or...and this County needs to stop me if need be, Corporation Counsel I see is grabbing her microphone right now.

MS. THOMSON: Thank you, Chair. If I could just caution the Committee Members to just to realize that the contract that is under negotiation is between Anaergia and the County and doesn't have any effect over, and should not have any effect over, third-party contracts between Anaergia and another company. So, you know, requirements or assurances as to those third-party contracts should be outside the scope of this discussion.

CHAIR HOKAMA: Okay. Thank you for that advice. Ms. Cochran?

COUNCILMEMBER COCHRAN: Okay. Thank you. Well, I guess, there's been conversation and, you know, even through your company that has the feeling of displacement or perhaps, you know, it won't be, I guess, business as usual in the sense that you folks are operating today. So I just, I guess, if there's a way to get feedback from their CEO in regards to that concern. There had been questions, Chair, in last PIA about the small businesses of that nature and to wanna get direct feedback from them. So we happen to have Mr. Millington here and wanted, I guess, you know, comments on behalf of your company.

MR. MILLINGTON: Okay. Chair and Councilmember Cochran, could you clarify for me exactly what to respond. This is a complicated issue for lots of reasons --

COUNCILMEMBER COCHRAN: Yeah.

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MR. MILLINGTON: --and I wanna make sure that I answer on point.

COUNCILMEMBER COCHRAN: Right. And I think that the general consensus is the effect, I guess, if any, that you feel will occur to your, I guess, you can speak on your own behalf, your company's behalf.

MR. MILLINGTON: I think it's unknown. I think just not sure, yet, that we understand--I'm only gonna speak Pacific Biodiesel--that we understand the implications of how this will happen, if it happens as currently proposed. And, as Counsel correctly pointed out, there's a negotiation between the County and Anaergia; and I'm not sure that we fit, if Anaergia comes in, as I understand it, I'm not sure that Anaergia really has a lot of impact on what we do or don't do. It's not clear to me if that will remain a County issue or an Anaergia issue. So my position all along has been, in general, that we just need a few more facts and a little more vetting of the financial implications, the economic implications. This is not a comment on anyone's work to date. I think everyone's done a good job to this point. I just think that this is a complicated, long-term issue; and from our perspective, there are still questions unresolved and how it will affect us.

COUNCILMEMBER COCHRAN: Thank you. And another? Thank you. And so are you subsidized by this County? Is your business subsidized?

MR. MILLINGTON: We have a tipping arrangement as well. It's different from Maui EKO's, but we have a similar situation where waste oil comes in and then we are paid by the County to process. Or maybe we're paid per Maui EKO, I don't even know that level of detail of the contract because that's not my kuleana. But, yeah, we're a part of that whole process. And the history of it was, there was waste oil and grease trap...before the grease trap that was being, you know, dumped. And the wastewater treatment and the worst-case scenarios, people in the middle of the night were dumping it and other cases in the land. So with Maui EKO we found a way to kind of treat and then making fuel of it. So the wastewater, we can put...Maui EKO can take our wastewater which is a byproduct.

COUNCILMEMBER COCHRAN: Uh-huh. Okay.

MR. MILLINGTON: So, for us, the current model works, but I can't speak, you know, to what would be the best model for the County going forward.

COUNCILMEMBER COCHRAN: Okay. Well...

MR. MILLINGTON: I just think that we just wanna have all the answers and, you know, have all the brightest minds--and I'm certainly not one of them--brought to bear on this question.

COUNCILMEMBER COCHRAN: Okay. Well, thank you for your time and your comments. Thank you very much. Chair, thank you for the opportunity.

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CHAIR HOKAMA: Sure, Ms. Cochran. Mr. Couch, question --

VICE-CHAIR COUCH: Uh-huh.

CHAIR HOKAMA: --for the gentleman?

VICE-CHAIR COUCH: Yeah.

CHAIR HOKAMA: Okay. Please?

VICE-CHAIR COUCH: Thank you. And thank you, Mr. Millington, for being here. So my question last time in open session was, has Anaergia reached out to everybody? And the comment was from you guys that they had not, at least on the floor. Subsequently, we learned that potentially there has. What is the status of you guys talking with them? 'Cause I would like you guys to work with them. I know we can't, as a Council or even as a County, require it; but that would help, you know, and kind of, you know, giving us assurances that on both sides, everybody's kinda trying to play together as much as possible. And, also, to continue with the good work that you guys do. You guys do some great work. So, you know, I'd hate to see it go; that's why I would like to see you guys working together. What is the extent of your conversations with them as far as, you know, when they reached out to you, what did you say? And then what is your intent on working with them?

MR. MILLINGTON: Sure. Chair and Councilmember Couch, I think there's been some miscommunication around that issue. And so if I can take a step back. I got involved in this process reluctantly because it seemed like there was, in general, some tension and some miscommunications going on from all parts. Mr. Sharma, Arun, has reached out. He's tried, you know, I can testify, he's tried to reach out to people, but he hasn't been able to necessarily provide specifics. I got involved and started e-mailing back and forth with him, because I wanted to make sure that there was a basis for a dialogue and not, again, escalating tension or escalating misinformation going out in public. We had talked about, can we do an MOU? But we didn't understand...we still don't understand the project well enough to lay down terms that he asked for. And then we asked him, and he was able to offer some very broad things. But, again, he doesn't have control over...it's really still in the County's domain as to, you know, what's gonna happen with our, you know, tipping arrangement and things like that; that's, you know, pieces of that. Or are we gonna stay at the landfill? That's not an issue that he controls, so it's really hard. So we've been talking, he's reached out, undoubtedly. But I think--and I cannot speak for the other folks, the other recyclers--but, for us, we still don't understand enough to form, you know, what are we gonna have a partnership or a relationship around? Now since the last hearing two weeks ago, our Chair, Bob King, and Arun have put forth some more specific terms, but they're not in alignment. And not because neither party's trying, both parties are trying, it's just, it's kinda apples and kumquats at this point. And there needs to be, I think, a little further development of what this project is going to look like. And if I can make one other related comment is, yeah, there was a full-page ad that came out by NRDC and that referenced a

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letter. And what that was talking about was actually these e-mails that I initiated, that Arun and I initiated just to have some basic dialogue. And I have to say, I was a little disappointed that private e-mails, you know, which were designed to calm everyone down then became part of a big marketing, advertising campaign. I've spoken with Allen Hershkowitz who, you know, and his NRDC, which sponsored that, and I've spoken with Arun. I think everybody's trying to act in good faith, I believe that, wholly, sincerely, the County, Anaergia, Pacific Biodiesel, the other recyclers. I just think because there's so many unknowns, sometimes people are controlling the narrative without having all the facts, yet.

VICE-CHAIR COUCH: And that's, Mr. Chair, that's exactly the point is all the facts aren't really available because we're not quite sure what goes on where. But what my biggest concern was that everybody was talking, and everybody seems to be talking at this point. Now, whether or not they come to an agreement, that's, you know, that's a business decision, that's not our concern. In order to get my support for this project, at least they should be talking and legitimate discussions; and it sounds like, from Mr. Millington's comments, that they are legitimate discussions. They just have some disagreements as to where, you know, they haven't quite meshed yet, but at least they're having heartfelt and true discussions and it's not just show. So that helps quite a bit, thank you.

CHAIR HOKAMA: Thank you. Members, questions for Mr. Millington at this time? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you, Chair. Thank you for being here. So if we have...Anaergia will be doing biofuel or biogas or what have you, how will you meet your supply? Will there be enough for more than one company?

MR. MILLINGTON: Again, that's part...it's still a little unclear. I mean, in theory, I don't know that Anaergia would, at this time, have any interest. And Arun, Mr. Sharma, has expressed that, you know, he thinks that biodiesel is the first and best use for the kinds of things that we need. I guess our concerns would be, well, what happens if the business model isn't working in three years or five years, would they need then to collect that? And they can't promise us that. The County could, you know, we could come to a contractual agreement with the County that perhaps...or subcontract, I don't know. I'm not an attorney, but it's unknown. Again, that's the hard piece for us, because, you know, we can strike a deal with Anaergia, but the key parts of our business are really our relationship with the County at this point.

COUNCILMEMBER CRIVELLO: Right.

MR. MILLINGTON: And so it's, yeah, we're kind of in a difficult place.

COUNCILMEMBER CRIVELLO: Okay. So there's still more discussion and more clarification that needs to go on as far as...

MR. MILLINGTON: Yeah. Well, and it maybe we don't ultimately have a choice. I mean we just have to accept whatever the reality is. But we would like to stay, continue doing what we're doing.

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We think it's a value to the County environmentally, we think it's a value to the County economically and we think it's valuable to the State. Because, you know, I'm in the company, I'm not a fuel person, but I'm in the company 'cause we just quintupled in size, and I'm trying to manage that reorganization. And, you know, so we now are employing 60-70 people directly throughout the state and Maui's our home.

COUNCILMEMBER CRIVELLO: Thank you.

COUNCILMEMBER VICTORINO: Mr. Chair?

CHAIR HOKAMA: Yes, Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah, thank you. And thank you for, you know, I know you're attempting to be very diligent in how you respond to the direct questions, and I thank you for that. Because it is a complex issue, and I think we agree with that. I know, recently, you guys started on the Big Island and has, from what I've been told, been quite successful at this point. I mean there's still a lot more to be done, but you are very comfortable on the Big Island at this time?

MR. MILLINGTON: It's a new plant. It's the most developed technology in the world, so we're working through that.

COUNCILMEMBER VICTORINO: Yeah.

MR. MILLINGTON: We're a small, little company in small set of islands in the middle of the Pacific, but it's pretty exciting, what's happening.

COUNCILMEMBER VICTORINO: The other question is, how long more is your contract with the County at this time?

MR. MILLINGTON: It's the same situation--and I would defer to Mr. Ginoza to correct me on the details--but I believe there was three-year contracts while this RFP process was in place. Maui EKO and us and I assume the other people who were awarded three-year contracts...or, actually, our contract isn't with the County, ours is with Maui EKO, so we're a subcontractor. So it was this three years and then I believe it's renewable one year, you know, for three additional years --

COUNCILMEMBER VICTORINO: And this...

MR. MILLINGTON: --while this RFP process gets all sorted out. I may have some of the details wrong and Mr. Ginoza can correct me.

COUNCILMEMBER VICTORINO: And I'll check with Mr. Ginoza for clarification, but and when was this done, just recently?

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MR. MILLINGTON: July --

COUNCILMEMBER VICTORINO: July of this past year?

MR. MILLINGTON: --I believe it started July 1<sup>st</sup>.

COUNCILMEMBER VICTORINO: Starting July 1<sup>st</sup>, okay. So, obviously, our Environmental Management Department has stated earlier that there is a still vision for you and others to be a part of it. Obviously, you just said and we all agree, you can't be told to work with them, they can't be told to work with you, no agreements as you're direct with EKO that works with the County on a direct contractual agreement.

MR. MILLINGTON: Yeah, and that contract is because whoever were to win, you know, if Anaergia, you know, is bidding --

COUNCILMEMBER VICTORINO: Whoever.

MR. MILLINGTON: --and there's a contract, it's gonna take many years. I mean that's why there's that three to six year accordion, I assume, because, you know, with permitting and all the things that, you know, so the County can't just not have any --

COUNCILMEMBER VICTORINO: Right.

MR. MILLINGTON: --processes in place. And, again, I just wanna emphasize the complexity of this. Anaergia and Pacific Biodiesel can come to all kinds of agreements, but they're really not, to my understanding, they're not material to the core part of our business. Anaergia is gonna be on a different part of the landfill. There's, you know, there's some areas where the relationship with the County is the one that's, in my mind, is still the most uncertain.

COUNCILMEMBER VICTORINO: So it's really not Anaergia at a certain point, it's really our relationship with you, that the County.

MR. MILLINGTON: It's both, yeah, but...

COUNCILMEMBER VICTORINO: Yeah, okay. I want the public to understand that this is a real complex issue, and that, you know, you and others are being reached out and whatever. And so I just want the public to understand that nobody's being really pushed away at this time. A lot of uncertainty exists and so we're trying to work through it. And I think that's the way I'd like to approach this is working through the variables that are out there. I think some people try to make it like they're gonna get shoved out or they're gonna be...and that's not our intention. As far as I'm concerned, many of those people that been here for many years, and you included, have done a great service to this County and I wanna continue to support you in every way possible with the idea that there is directions we've gotta turn. At certain points, we have to make that 'cause we have a definitive amount of land to use; in some futuristic point, we won't

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have enough land for landfills. So something has to come in: this, or something else, something has to come about. So I wanna thank you and the Kings for what you've done and continue to work and help this community. Thank you, Chair.

CHAIR HOKAMA: Okay. The Chair's gonna end this discussion right now. You know...

MR. MILLINGTON: Chair, I'm excused?

CHAIR HOKAMA: Yes, Mr. Millington, thank you very much.

MR. MILLINGTON: Thank you very much.

CHAIR HOKAMA: I appreciate your willingness to come. You know, the Chair's position is I think we need to get into executive session. You need to find out about the contract. It is your Chair's position that there's many things the County is in full control of. And until the County makes this determination through the Administration, through the Department and Corp. Counsel, a lot of the questions you have for third parties and whatnot will never be answered. It is not in their control until the terms of a final contract is finalized. And so we can keep going through this and we're not gonna get nowhere, okay. But we're gonna make use of the remaining time. I want the Members to be able to have their questions that they have prepared for executive session. And so under Section 92-5(a)(4) of the Hawaii Revised Statutes, this Committee shall consider to go into executive session to consult with legal counsel on questions and issues pertaining to its powers, duties, privileges, immunities, and liabilities of this County, this Council, and this Committee. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. I move to go into executive session pursuant to HRS 92-5(a)(4) for the reasons you just mentioned.

MR. KUSHI: Mr. Chair?

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

CHAIR HOKAMA: Okay. Prior to recognizing the motion, I'll ask Mr. Kushi for his comment.

MR. KUSHI: Mr. Chair, I would also suggest that you also include, in addition to Section 92-5(a)(4) --

CHAIR HOKAMA: Yes?

MR. KUSHI: --Section 92-5(a)(8), which would read, to deliberate or make a decision upon a matter that requires the consideration of information that must be kept confidential pursuant to a State or Federal law, or a court order.

CHAIR HOKAMA: Okay. Thank you very much, Mr. Kushi. The Chair will also invoke Section 92-5(a)(8) of the Hawaii Revised Statutes --



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support, it has no effect of law; and, therefore, even if we choose not to adopt it, will in effect have no impact on the continued negotiations of the County on this project. But I'm happy to defer the item to allow the Committee, when appropriate, to reconvene and have additional discussions of the contract that has been more than likely, at that point in time, the executed agreement with a provider. So, stating that, the Chair is open to action, and any thoughts Members? Having none, if there's no objection, the Chair would defer this item.

COUNCIL MEMBERS: No objections.

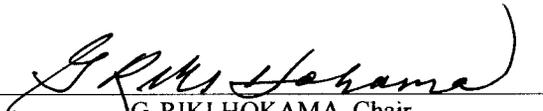
**COUNCIL MEMBERS VOICED NO OBJECTIONS** (excused: GCB, RC).

**ACTION: DEFER pending further discussion.**

CHAIR HOKAMA: Okay. This item is deferred and this meeting is adjourned. . . .(gavel). . .

**ADJOURN:** 1:36 p.m.

APPROVED:

  
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G. RIKI HOKAMA, Chair  
Policy and Intergovernmental Affairs Committee

pia:min:131216:ry

Transcribed by: Raynette Yap

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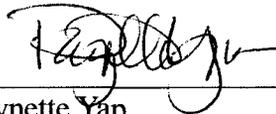
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CERTIFICATE

I, Raynette Yap, hereby certify that the foregoing represents to the best of my ability a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 3rd day of January, 2014, in Kihei, Hawaii

  
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Raynette Yap